

**3/21/77**

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THE PRESIDENT'S SCHEDULE	
Monday - March 21, 1977	
7:30	Dr. Zbigniew Brzezinski - The Oval Office.
7:45	Mr. Frank Moore - The Oval Office.
8:00 (2 hrs.)	Meeting of the Cabinet. (Mr. Jack Watson). The Cabinet Room.
10:00	Mr. Jody Powell - The Oval Office.
10:30	Arrival Ceremony for His Excellency H.E. Takeo Fukuda, Prime Minister of Japan. (Dr. Zbigniew Brzezinski) - The South Grounds.
11:00 (90 min.)	Meeting with Prime Minister H.E. Takeo Fukuda. (Dr. Zbigniew Brzezinski) - The Cabinet Room.
1:00	Lunch with Vice President Walter F. Mondale, Secretary Robert Bergland/Farmers. The Roosevelt Room.
2:00	Mr. James Schlesinger - The Oval Office.
2:30 (20 min.)	Meet with Ford Foundation Panel on "Nuclear Power - Issues and Choices" - (Dr. Frank Press). The Cabinet Room.
7:30	Working Dinner (Business Suit) - Prime Minister H.E. Takeo Fukuda - The State Floor.

VP TRIP. MINE  
 PACIFIC POWERS  
 CONSULT  
 WORLD TRADE  
 PEACEFUL INFLUENCE  
 RENOUNCEE NUKES  
 DIFFERENCE IN  
 CULTURE VS FRIEND  
 & MUTUAL INT.  
 1912 CHERRY TREES  
 53 BONSAI  
 SUMMIT

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Revised:  
3/21/77  
1:15 p.m.

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3:15 (15 min.)	Meeting with Vice President Walter F. Mondale, Mr. Bert Lance, Mr. Hamilton Jordan and Mr. Frank The Oval Office.
7:30	Working Dinner (Business Suit) - Prime Minister H. E. Takeo Fukuda - The State Floor.

THE PRESIDENT HAS SAID:

P/N → Power

P/N - PLAINS - JAPAN

DUCK DIPLOMACY  
Differences:

Immigrants

Vast lands

Abundant energy

young

Heterogeneous People

Similarities

Peace . Democracy

Free enterprise

Asia

PM - PEOPLE of JAPAN

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THE WHITE HOUSE  
WASHINGTON

March 21, 1977

Jim Fallows -

The attached was returned in the  
President's outbox. This copy  
is sent to you for your information.

Rick Hutcheson

Re: Gridiron Dinner



THE WHITE HOUSE  
WASHINGTON

ACTION	FYI
	MONDALE
	COSTANZA
	EIZENSTAT
	JORDAN
	LIPSHUTZ
	MOORE
	POWELL
	WATSON

FOR STAFFING
FOR INFORMATION
✓ FROM PRESIDENT'S OUTBOX
LOG IN/TO PRESIDENT TODAY
IMMEDIATE TURNAROUND

ENROLLED BILL
AGENCY BILL
Staffing comments should go to Bert Carp within 48 hours; due from Carp to Staff Secretary next day.

CAB DECISION
EXECUTIVE ORDER
Staffing comments should go to Doug Huron within 48 hours; due from Huron to Staff Secretary next day.

ACTION	FYI
	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	✗ FALLOWS
	FIRST LADY
	GAMMILL
	HARDEN
	HOYT
	HUTCHESON
	JAGODA
	KING
	KRAFT
	LANCE
	LINDER
	MITCHELL
	POSTON
	PRESS
	B. RAINWATER
	SCHLESINGER
	SCHNEIDERS
	SCHULTZE
	SIEGEL
	SMITH
	WELLS
	VOORDE

---

THE WHITE HOUSE  
WASHINGTON

from the president's  
remarks at the gridiron  
club, march 19, 1977

SMILE - WHY? <sup>TRIDITION 5/77</sup>  
PROGRESS. ANDERSON  
- RAKE MY MUCK  
- PLAYBOY ONLY ONE  
- PORNOGRAPHIC MEMORY  
- LOOKING FWD. WHAT HAPPENED  
ADVICE - OUT OF TOUCH?  
19 DAM  
- DAMS - PLAINS ZIP CODE  
- BILLY FOX  
ANDY - COVERAGE - INT  
RADICALS & AGITATORS  
CY  
- REPUBS. DISASTER. CONTINUITY  
- HOW MUCH WE'VE DONE  
- CUBANS - ANGOLA  
- MIDE - NOT COMPLETE  
HOMELAND/DEFENSIBLE  
BORDERS  
- BRADLEE = MUSEIN  
- ROS - RABIN - TIP - PK CHOPS  
- ACTING  
HEAVY - VP SMALL CRACKS  
- FRIENDS - PRESS NAM LIST



Jack Anderson - Take my muck - Playboy only one  
Dial-a-President - 42 votes, lose 9 1/2 million <sup>photographic memo</sup>

Press advice - ~~after~~ <sup>out - of - touch</sup> communicate  
Corp. <sup>& Gov's</sup> picked up since I vetoed the  
19 dam H<sub>2</sub>O project - No dam project,  
dam projects -- ? Some want dams

Plains - Zip code

Not only one - trouble in press - Andy  
stop coverage radicals & agitators - Cy  
approved - That " " Andy & J.

Repubs - Policy disaster - some continuity  
Doesn't realize how much we help him  
Andy has Cubans stabilizing Angola

I'm working on M.I.E. : now between homeland  
and secure, <sup>defensible</sup> borders

Has helping in nice entertainment - Robin  
upset - ? Tip O'Neill asked after pork chops  
Ben Bradlee helped in King Newayn  
While we take heavy jobs, VP fits in  
the small cracks - spoke here tonight  
Friends in the press - Hamilton's keeping the list

C

THE WHITE HOUSE  
WASHINGTON

March 19, 1977

MEMORANDUM TO: THE PRESIDENT  
FROM: Jack Watson  
RE: SUGGESTED REMARKS  
TO THE GRIDIRON CLUB

Attached is a draft of suggested remarks to  
the Gridiron Club this evening.

Respectfully,

*Jack*

Attachment

*9 Dam H2O Projects  
Homeland/Secure border  
Clinton Mars  
Andy-Cy-Terrorists  
agitors  
Cuba/Angola*

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SUGGESTED REMARKS  
TO THE GRIDIRON CLUB

LADIES AND GENTLEMEN OF THE PRESS,  
DISTINGUISHED GUESTS AND USUALLY  
RELIABLE BUT UNNAMED SOURCES,

I COME BEFORE YOU TONIGHT WITH SOME TREPIDATION --  
THE VERY NAME OF YOUR ORGANIZATION STIRS IMAGES OF HEAT AND  
BURNING FLESH.

I BEGAN TO GET ESPECIALLY APPREHENSIVE EARLY IN THE  
EVENING WHEN THE SECRET SERVICE SUGGESTED THAT INSTEAD OF A  
BULLET-PROOF VEST, I WEAR AN ASBESTOS LEOTARD.

ALSO, I AM A LITTLE NERVOUS ABOUT FOLLOWING JACK  
WATSON'S PERFORMANCE HERE LAST DECEMBER. IT REMINDS ME OF  
A REMARK MADE BY A SOUTH GEORGIA LAWYER TO A JURY IN HIS  
CLOSING ARGUMENT. HE SAID, "MY ESTEEMED COLLEAGUE HAS BEEN  
BEFORE YOU FOR OVER AN HOUR MAKING AN ABSOLUTE FOOL OF  
HIMSELF . . . NOW IT'S MY TURN."

ALTHOUGH WE HAVEN'T DISCOVERED A SUCCESSFUL ANTIDOTE  
TO A BAD PRESS, WE ARE GETTING LESS SENSITIVE TO THE CRITICISM.  
AND THERE HAS BEEN PLENTY OF THAT. WE HAVE EVEN BEEN CRITICIZED  
FOR BEING TOO INFORMAL, BUT, AFTER ALL, PLAINS IS A LONG WAY  
FROM WASHINGTON AND THE DISTANCE CAN'T BE MEASURED IN MILES.  
WHEN I WAS GROWING UP IN PLAINS IT WAS SO SMALL WE DIDN'T  
EVEN HAVE A TOWN DRUNK . . . EVERYONE HAD TO TAKE TURNS --  
NOW WE CAN'T GET BILLY TO GIVE UP HIS TURN.

IT'S REALLY A SHAME THAT BILLY WASN'T ELECTED MAYOR OF PLAINS. HE HAD A GREAT PLAN TO DOUBLE THE CITY'S REVENUES -- HE WAS GOING TO ADD A SECOND PARKING METER. BILLY TOOK THE LOSS PRETTY HARD. HE HAD ALREADY MADE A DOWN-PAYMENT ON A BULLET-PROOF TRACTOR.

I HOPE YOU DON'T THINK I AM BEING TOO ROUGH ON BILLY, BUT, AFTER ALL, HE WAS QUOTED RECENTLY AS SAYING MY SMILE REMINDED HIM OF "A FOX LAPPING SORGHUM SYRUP FROM A LIVE LIGHT SOCKET."

IN LIGHT OF ALL OUR OTHER PROBLEMS, I MUST SAY THAT THE DEMANDS OF MY FELLOW TOWNSPEOPLE HAVE BEEN MODEST SO FAR. EVERYONE ELSE IN THE COUNTRY WANTS A DEFENSE PLANT OR A DAM. PLAINS IS STILL TRYING TO GET A ZIP CODE.

OF COURSE WE'LL NEVER RUN OUT OF PROBLEMS. AS SOON AS WE SOLVE ONE, ANOTHER TAKES ITS PLACE. AFTER FINALLY GETTING PAUL WARNKE CONFIRMED TO HANDLE THE SALT TALKS, I NOW HAVE TO PERSUADE SOMEONE TO HANDLE THE EVEN MORE IMPORTANT AND DELICATE SACCHARIN TALKS.

I THINK EMERSON WAS WRONG. THE CANADIANS MAY HAVE BUILT A BETTER MOUSE TRAP, BUT THE WORLD IS BEATING A PATH TO MY DOOR. MY WILEY TROUBLESHOOTER, CHARLES KIRBO, HAS COME UP WITH WHAT MAY PROVE TO BE A SATISFACTORY COMPROMISE TO THE SACCHARIN CRISIS. CHARLIE SUGGESTS THAT THE FDA GIVE EVERY PERSON WHO DRINKS 800 CANS OF DIET SODA A DAY A PRINTED WARNING ON THE CAN AND A RUBBER SHEET.



MY CHIEF TROUBLE IN DEALING WITH THE PRESS HAS BEEN THE FACT THAT THERE ARE NOT ENOUGH SEPARATE STORIES TO GIVE EVERY REPORTER THE INDIVIDUAL SCOOP THEY THINK IS THEIR INHERENT RIGHT. IT MAKES YOU THINK OF THE STORY THAT TOOK PLACE IN THE ROMAN COLISEUM WHEN A SMALL CHILD BROKE INTO TEARS AFTER WATCHING CHRISTIANS BEING FED TO THE LIONS. WHEN ASKED WHY HE WAS CRYING, THE CHILD POINTED TO THE ARENA AND TEARFULLY REPLIED, "THAT LION DOESN'T HAVE A CHRISTIAN." WE JUST DON'T HAVE ENOUGH SCOOPS TO GO AROUND.

UNFORTUNATELY, WHEN SCOOPS ARE IN SHORT SUPPLY, THE FERTILE IMAGINATION OF THE PRESS RUSHES TO FILL THE VOID. IT IS MY UNHAPPY DUTY TONIGHT TO SPIKE SEVERAL RUMORS WHICH HAVE SURFACED IN THE PRESS OVER THE LAST FEW DAYS. SPECIFICALLY, I AM HERE TO SAY THAT:

(1) IT IS NOT TRUE THAT I HAVE SAID WE WILL GIVE MAINE BACK TO THE INDIANS ON THE CONDITION THAT THEY TAKE BACK NEW YORK CITY AS WELL;

(2) IT IS NOT TRUE THAT I HAVE ASKED GRIFFIN BELL TO RESIGN FROM THE DINERS CLUB;

(3) IT IS NOT TRUE THAT I HAVE ISSUED THE LIMOUSINE-LESS MEMBERS OF MY WHITE HOUSE STAFF C.B. RADIOS AND POGO STICKS;

(4) IT IS NOT TRUE THAT THE JUSTICE DEPARTMENT IS INVESTIGATING ALLEGATIONS THAT IN RECENT WEEKS KOREANS

HAVE BEEN SECRETLY DEPOSITING COFFEE IN NUMBERED BANK ACCOUNTS OF CERTAIN CONGRESSMEN;

(5) IT IS NOT TRUE THAT I TOLD CY VANCE THAT IF THE ROOSEVELTS COULD SERVE HOT DOGS TO THE KING AND QUEEN, WHY SHOULD I BE CRITICIZED FOR SERVING PORK CHOPS TO RABIN;

(6) IT IS NOT TRUE THAT THE MOST SEVERE BLOW TO THE FEDERAL BUDGET DURING MY ADMINISTRATION HAS BEEN THE INCOME TAX LOST BY TAKING JOE CALIFANO OUT OF PRIVATE PRACTICE;

(7) IT IS NOT TRUE THAT BERT LANCE HAS BEEN DECLARED A MAJOR DISASTER AREA BY WEIGHT WATCHERS, INC.;

(8) IT IS NOT TRUE THAT SPEED READING HAS HELPED ME GET THROUGH PLAYBOY FASTER -- BUT HASN'T HELPED MY COMPREHENSION -- AND, IN THAT CONNECTION,

(9) IT IS NOT TRUE THAT I AM THE ONLY PRESIDENT IN HISTORY WITH A PORNOGRAPHIC MEMORY.

FINALLY, WHILE I PREDICTED LAST WEEK THAT MY POPULARITY RATING IN THE POLLS WOULD SOON DROP 15% TO 20%, I DID NOT REALIZE UNTIL THIS MOMENT THAT THE ENTIRE DROP WOULD COME DURING THE COURSE OF THIS TALK.

IN CLOSING, I WOULD JUST LIKE TO SAY THAT I BELIEVE THIS COUNTRY DESERVES A PRESS AS GOOD AND FAIR AND DECENT AND COMPASSIONATE AS THE AMERICAN PEOPLE, AND IF ALL OF YOU WILL PROMISE TO HELP BRING THAT ABOUT, I PROMISE TO HELP EVANS AND NOVAK FIND SOME OTHER LINE OF WORK.



Background on The Gridiron Club

C

The Gridiron Club was founded in 1885, making tonight's annual dinner its 92nd. Every President since Cleveland has attended, though not every year.

From the first, political lampooning has marked the dinner, and traditions run high. For example, tonight's activities begin at 7:15 p.m. when the club president (Jerry terHorst) gives a speech in the dark -- that is, with all lights out. The custom dates to the 1890s, but no one is sure of its origin.

The skits are carried out between courses of the meal, and by tradition, there is always a Democratic and Republican speaker, as well as remarks by the President when he attends. The Vice President will hold up the Democratic end tonight; Senator Baker will talk for the Republicans.

The club's membership is restricted to Washington journalists in daily newspaper work, wire reporters being considered in this category. The club was all-male until 1974, when Helen Thomas was admitted.

Total membership today is 56, five of whom are women.

The Club meets once a month. In addition to its big annual dinner, it holds an informal dinner and election every December.

Two rules traditionally apply to the dinner:

1. "Ladies are always present," meaning no blue language.
2. "Reporters are never present," meaning the remarks of speakers are all off-the-record, although the script of the skits is later released.

In addition to terHorst, the current president, club officers are:

Allan Cromley, Daily Oklahoman -- vice president  
Lucian Warren, Buffalo Evening News -- treasurer  
Jack Steele, Scripps-Howard -- secretary  
Robert Roth, Philadelphia Bulletin -- historian

# # #



GRIDIRON

I'M GLAD TO SEE THAT SENATOR BAKER IS HERE BECAUSE IT GIVES ME THE OPPORTUNITY TO CLEAR UP A MISUNDERSTANDING. THAT RUMOR IS ENTIRELY FALSE, HOWARD, I HAVE NO PLANS TO CUT OFF FUNDS FOR THE TVA.

-----

I ALSO WANT TO TAKE THIS OCCASION TO STATE THIS ADMINISTRATION'S COMMITMENT TO A FREE AND INDEPENDENT PRESS. WE UNDERSTAND THAT IT'S NATURAL AND HEALTHY TO HAVE AN ADVERSARY RELATIONSHIP BETWEEN GOVERNMENT AND PRESS. ALL WE'RE ASKING FOR IS . . . DEFENSIBLE BORDERS.

-----

BUT I'M PARTICULARLY PROUD OF THE CALIBER OF OUR CABINET LEVEL APPOINTMENTS. FOR INSTANCE, WE HAVE JAMES SCHLESINGER AS SPECIAL ENERGY ADVISOR. BEFORE THAT HE WAS CHAIRMAN OF THE ATOMIC ENERGY COMMISSION, DIRECTOR OF THE CIA, AND SECRETARY OF DEFENSE. TWO MORE APPOINTMENTS AND WE SEND HIM TO MASSACHUSETTS TO RUN FOR GOVERNOR AGAINST ELIOT RICHARDSON.

-----

I WAS DISTURBED THE OTHER DAY TO HEAR SOME LEADING REPUBLICANS ATTACKING ADMINISTRATION FOREIGN POLICY -- I THOUGHT I WAS DOING A GREAT JOB -- I'VE JUST ABOUT FINISHED LEARNING ALL THE CAPITALS AND PRINCIPLE PRODUCTS -- ONE REPUBLICAN ACTUALLY SAID AMERICAN FOREIGN POLICY WAS A DISASTER -- AND I THOUGHT THEY WERE IN FAVOR OF A LITTLE CONTINUITY.

3/19/77

THE POSSIBILITY FOR DISASTROUS CONFLICT WHICH NEITHER SIDE COULD WIN MAKES IT IMPORTANT THAT I MOVE AGGRESSIVELY TO WORK WITH POTENTIAL ADVERSARIES AND TO SEEK RECONCILIATION AND AGREEMENT.

BOTH SIDES HAVE THE ABILITY TO ANNIHILATE EACH OTHER. THE ONLY RESULT OF SUCH A CONFLICT WOULD BE THE END OF LIFE AS WE KNOW IT.

TOWARD THAT END, I AM CALLING FOR AN EARLY SUMMIT AT THE WHITE HOUSE THIS SPRING, AND I HAVE EVERY HOPE THAT BOTH THE HOUSE AND THE SENATE WILL RESPOND FAVORABLY.

-----

ACTUALLY I'VE MADE SOME MISTAKES AND LEARNED A LOT. I NOW RECOGNIZE THE NECESSITY OF THOROUGH CONSULTATION WITH THOSE WHO HAVE BEEN DESIGNATED TO DIRECT THE AFFAIRS OF OUR NATION -- I CAN PROMISE THAT IN THE FUTURE -- BEFORE ANY MAJOR FOREIGN POLICY DECISION IS MADE -- I WILL ENGAGE IN EXTENSIVE CONSULTATIONS WITH THE APPROPRIATE COLUMNISTS AND EDITORS.

-----

*You may think of something  
on the Conf. Jany - State Dept. - Foreign  
Policy line too.*

211  
AND PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

March 17, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: JIM FALLOWS *JFD*

SUBJECT: Remarks for Gridiron Dinner

You're supposed to speak for just a minute or two at the Gridiron Dinner. Here is a selection of suggestions by Jerry Doolittle, all of them with the same lead. They can, of course, be rearranged or put together -- or, if you don't like any of them, we'll try again.

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VERSION A

I know this is a humorous occasion, but I think it's inappropriate for the President of the United States to be humorous.

Some would even say impossible.

So I hope you'll help me out by not laughing. It shouldn't be any trouble. Last time I tried to be funny, a month or so back, a columnist over in Baltimore wrote that I told such bum jokes that it was demeaning to laugh at them.

Of course, I wouldn't want any of you to demean yourselves on my account ...

Well, thank you anyway. I appreciate your servility.

Basically that columnist was right, though. People do seem to laugh a lot harder at my jokes now than they used to when I was chairman of the Sumter County School Board.

It used to be very hard to get attention from the media. A year or so ago, I'd come to town and I couldn't even get Jack Anderson to rake my muck.

I recall once back in the early days of my campaign when Jody was able to get me on "What's My Line." We were all so proud.

At the end, they said who I was, and you could practically see what the panelists were thinking. They were saying to themselves, "Jimmy Who?"

Another time they would only let me appear on a certain TV talk show, out in the midwest, if I'd agree not to mention politics.

I could talk about anything else, though, so I decided to give them a recipe for Jimmy Carter's Fried Catfish. Here it is, in case any of you want to take notes.

Cut the catfish in strips and soak it two hours in Heinz 57 Sauce. Coat the strips with pancake mix, and fry.

I hope you all got that down. I wouldn't want to go through it again, because I notice some of you are looking kind of queasy already.

I'm sorry about that, but I thought it was important to give you that recipe in detail, and I'll tell you why. It's because people have got to know whether or not their President is a cook.

Well, I am not a cook.

# # #



VERSION B

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Of course, I wouldn't want any of you to demean yourselves on my account ...

Well, thank you anyway. I appreciate your servility.

Actually, the press and everybody else has been very generous to us, these first eight weeks or so in the White House.

The polls show that 71 percent of the American people think I'm doing a good job. Hamilton's taking down names of the other 29 percent.

Just out of curiosity, of course. We want to know where we've failed.

Of the ones who didn't think I was doing such a good job, it turns out that five or six percent are heavy saccharin users.

The rest were folks who couldn't get through to me on the call-in show.

Since we learned that, we've been taking another look at that whole Dial-a-President thing. You can't help wondering if it's worthwhile, when you pick up 42 votes and lose nine and a half million.

Of course, we've had our successes in the People Program, too. For instance, it used to worry me that I was getting out of touch with some of our Governors and members of Congress.

So I vetoed those 19 water projects ...

I'm in much closer contact with a lot of those folks now.

I understand that there was some criticism that we may have been a little abrupt in the way we announced that whole business.

But the fact is, I wanted it to be a surprise. That way, there wouldn't be time to get out the tar and feathers.

# # #



VERSION C

I know this is a humorous occasion, but I think it's inappropriate for the President of the United States to be humorous.

Some would even say impossible.

So I hope you'll help me out by not laughing. It shouldn't be any trouble. Last time I tried to be funny, a month or so back, a columnist over in Baltimore wrote that I told such bum jokes that it was demeaning to laugh at them.

Of course, I wouldn't want any of you to demean yourselves on my account . . .

Well, thank you anyway. I appreciate your servility.

Basically that columnist was right, though. People do seem to laugh a lot harder at my jokes now than they used to when I was chairman of the Sumter County School Board.

That's exactly the kind of danger that we're trying to overcome with the People Program -- the danger of the President and his staff getting to feel that we're somehow different and better than the rest of the country.

So I've cut out some of the frills, and the ruffles and flourishes. We've cut down on the White House fleet of planes and the staff limousines, and a number of other things, and I think it's working out pretty well.

I don't feel I've lost touch with you earthlings at all . . .

There was one part of the People Program that none of us really anticipated, though. That's the volume of mail. Some of the letters aren't serious, of course. For example, when we asked for ideas on energy conservation, there were quite a few suggestions about utilizing the flow of hot air from the White House.

But many of the letters are worthwhile, and the volume was just terrific. Or we thought it was, anyway, till those letters started to come in on the saccharin ban.

The only way Rosalynn and I could even begin to keep up with it was to take speed-reading courses. We've encouraged a lot of the staff to take them, too.

We even tried to get Amy interested, but she didn't want any part of it. She said if she took the course, she'd have to bring too many books to the table.

# # #

VERSION D

I know this is a humorous occasion, but I think it's inappropriate for the President of the United States to be humorous.

Some would even say impossible.

So I hope you'll help me out by not laughing. It shouldn't be any trouble. Last time I tried to be funny, a month or so back, a columnist over in Baltimore wrote that I told such bum jokes that it was demeaning to laugh at them.

Of course, I wouldn't want any of you to demean yourselves on my account ...

Well, thank you anyway. I appreciate your servility.

I'd like to speak to you tonight on the whole issue of amnesty and pardons. It isn't generally known, but my original idea was to go further with the thing than I did.

I was willing to extend amnesty to the whole broad range of dissenters in our country -- even registered Republicans.

But Hamilton advised me not to go that far. He said he'd take care of the Republican problem himself, once we get our reorganization package through.

Hamilton wants to be Secretary of Revenge.

Of course, reorganization was only one of my campaign promises. There were a great many others, and we've collected them all into a book.

Quite a good-sized book, actually. It comes with its own stand, like the Webster's Unabridged.



But I mean to keep working on each one of those promises, until finally we have a government as good and competent and compassionate as the American people themselves.

My advisors keep pointing out to me that this particular statement--and it's a statement I've made once or twice before -- can be taken a number of different ways.

Depending on just what you think of the American people ....

Maybe I can clear that up right now. In my judgment, the American people are every bit as good and competent and compassionate as -- oh, for example -- the American press.

Not that I have any quarrel with the press. You folks have done me the honor of interviewing me more times than any person ever to come out of Plains, Georgia.

Except my mother.

And my brother Billy.

I see there's a new book out now, called, "The Wit and Wisdom of Billy Carter."

Well, I think that's fine. But I don't know about any book called, "The Wit and Wisdom of Jimmy Carter."

Maybe if I had lost my last election, the way Billy did ....

I know it probably sounds like sour grapes, but I think they picked a poor title for that book about Billy, anyway. I would have called it, "Why Not the Pabst?"

# # #

THE WHITE HOUSE  
WASHINGTON

March 21, 1977

Jim Schlesinger -

The attached was returned in  
the President's outbox. It is  
forwarded to you for appropriate  
handling.

Rick Hutcheson

cc: The Vice President

Stu Eizenstat

Ham Jordan

Jody Powell

Frank Moore

Jack Watson

Tim Kraft

Re: National Energy Plan

THE WHITE HOUSE  
WASHINGTON

*Note to  
Sales from all  
all news, should be sent  
to staff  
rather than  
hand-carried  
in mail*

ACTION	FYI	
	<input checked="" type="checkbox"/>	MONDALE
		COSTANZA
	<input checked="" type="checkbox"/>	EIZENSTAT
	<input checked="" type="checkbox"/>	JORDAN
		LIPSHUTZ
	<input checked="" type="checkbox"/>	MOORE
	<input checked="" type="checkbox"/>	POWELL
	<input checked="" type="checkbox"/>	WATSON

	FOR STAFFING
	FOR INFORMATION
<input checked="" type="checkbox"/>	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

	ENROLLED BILL
	AGENCY BILL
	Staffing comments should go to Bert Carp within 48 hours; due from Carp to Staff Secretary next day.

	CAB DECISION
	EXECUTIVE ORDER
	Staffing comments should go to Doug Huron within 48 hours; due from Huron to Staff Secretary next day.

ACTION	FYI	
		ARAGON
		BOURNE
		BRZEZINSKI
		BUTLER
		CARP
		H. CARTER
		CLOUGH
		FALLOWS
		FIRST LADY
		GAMMILL
		HARDEN
		HOYT
		HUTCHESON
		JAGODA
		KING
		KRAFT
		LANCE
		LINDER
		MITCHELL
		POSTON
		PRESS
		B. RAINWATER
<input checked="" type="checkbox"/>		SCHLESINGER
		SCHNEIDERS
		SCHULTZE
		SIEGEL
		SMITH
		WELLS
		VOORDE



THE WHITE HOUSE  
WASHINGTON

March 21, 1977

Jim Schlesinger -

All memos to the President  
should be sent to the Staff  
Secretary rather than hand-  
carried in. Thank you.

Rick Hutcheson



THE WHITE HOUSE  
WASHINGTON

March 21, 1977

Tim -

Jim Schlesinger walked this  
one in -- otherwise you certainly  
would have had a chance to  
comment.

Rick

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR:

THE PRESIDENT

FROM:

JIM SCHLESINGER

SUBJECT:

National Energy Plan

As you are aware, a great deal of work will be necessary to sell the National Energy Plan. Labor, consumer groups and key Senate and House members currently oppose price increases as a way to induce conservation. In particular, the UAW will oppose the gas guzzler tax and the contingent gasoline tax. Producer groups will also oppose the oil and gas pricing initiatives but for opposite reasons. Industry will oppose mandatory standards, coal conversion and oil and gas taxes. Although these various groups will favor some portions of your plan, they will all have strong opposition to other portions of it.

A number of steps could be taken to sell the National Energy Plan before your address to the Congress.

1) Special Meetings with Key Congressional and Union Leaders

I recommend that you and I schedule the following seven meetings with Congressional and labor leaders and Governors.

- o Congressional Leadership
  - Robert Byrd
  - Thomas O'Neill
- o Senate Tax Policy
  - Russell Long
- o House Energy and Tax Policy
  - John Dingell
  - Al Ullman
- o Senate Energy Policy
  - Henry Jackson

*may combine some JC*

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- o AFL/CIO
  - George Meany
- o UAW
  - Leonard Woodcock
  - Douglas Fraser
- o Governors
  - Reubin Askew, Chairman, National Governors Conference
  - Julian Carroll, Chairman, Committee on Natural Resources and Environmental Management
  - Jay Hammond, Vice Chairman, Committee on Natural Resources and Environmental Management

These meetings should be held as soon as possible.

2) Meetings with Major Interest Groups

I plan to meet with representatives of the following four key groups:

- o Consumers
- o Environmentalists
- o Energy Industries
- o Other Industries

It would be very useful if you could make a short appearance at each of these meetings.

At the staff level we would brief other interested groups. All of these meetings would be held during the week of April 13 thru April 18 and would be on a confidential basis.

We should attempt to get all those groups who would be potentially hostile to hold their fire on criticism of the plan. It would be useful for these groups to applaud the boldness of the plan and reserve judgment on specific details.



3) The Media

The editorial boards of major newspapers such as The New York Times and The Washington Post have been calling for a tough and bold new energy policy. The media may be our strongest supporter in the task of convincing the public and Congress that your program, with its controversial tax and mandatory requirements, is necessary. I plan to meet with the editorial boards of the major news and television media. You may wish to host a session with them.

If you concur with this approach, we will take steps to implement it.

Concur ✓

Nonconcur \_\_\_\_\_

See me \_\_\_\_\_



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for Preservation Purposes**

THE WHITE HOUSE  
WASHINGTON

March 21, 1977

To Larry Spivak

I really appreciate your kind words  
about the Town Meeting. Thanks!

Sincerely,

*Jimmy*

Mr. Lawrence E. Spivak  
2660 Woodley Road, N. W.  
Apartment G200  
Washington, D. C. 20008

*p.s. I just try to  
take your good advice.  
J.C.*

Spivak  
2660 Woodley Rd. N. W.  
Apartment G200  
Washington, DC 20008

R E S S

The fir

3/17/77

Tucson Arizona

Dear Mr. President

You were terrific again last night at Clinton  
In my 30 years of doing the Press interviews I've  
found no one who handles questions better than  
you. You and the Q and A format were made for  
each other.

With warm regards

Paul Spivak



THE WHITE HOUSE  
WASHINGTON

March 21, 1977

Tim Kraft

The attached was returned in  
the President's outbox. This  
copy is for your information.

Rick Hutcheson

Re: Letter from Ben Bradlee  
requesting meeting 2/16/78

*original to Central  
Filed*

X

# The Washington Post

1150 15TH STREET, N.W.

WASHINGTON, D. C. 20071

(202) 223-6000

BENJAMIN C. BRADLEE

EXECUTIVE EDITOR

(202) 223-7510

March 15, 1977

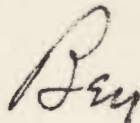
Dear Mr. President:

Your thoughts on the presence and absence of responsibility are both welcome and prized.

I have an idealist's belief in the Biblical exhortation that "The truth shall make you free," and nothing in my experience contradicts that. And I have a skeptic's conviction that requests not to publish are generally used to cover up abuses.

I want you to know how much I respect your refusal to make such requests of us, and I would like to request another audience with you on February 16, 1978, one year later, to reassess our concepts of responsibility. With the Arafat-Hussein handshake, and the silence of Assad and Sadat, I'm at least in business.

With respect,



The President  
The White House  
1600 Pennsylvania Avenue  
Washington, D. C.

THE WHITE HOUSE  
WASHINGTON

March 21, 1977

Z. Brzezinski

The attached Transmittal to the Senate of the International Convention for Prevention of Pollution from Ships, was signed today. The original document has been given to Bob Linder for transmittal to the Senate.

Rick Hutcheson

X



THE WHITE HOUSE  
WASHINGTON

ACTION	FYI
	MONDALE
	COSTANZA
	EIZENSTAT
	JORDAN
	LIPSHUTZ
	MOORE
	POWELL
	WATSON

FOR STAFFING
FOR INFORMATION
✓ FROM PRESIDENT'S OUTBOX
LOG IN/TO PRESIDENT TODAY
IMMEDIATE TURNAROUND

ENROLLED BILL
AGENCY BILL
Staffing comments should go to Bert Carp within 48 hours; due from Carp to Staff Secretary next day.

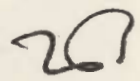
CAB DECISION
EXECUTIVE ORDER
Staffing comments should go to Doug Huron within 48 hours; due from Huron to Staff Secretary next day.

ACTION	FYI
	ARAGON
	BOURNE
	✓ BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	GAMMILL
	HARDEN
	HOYT
	HUTCHESON
	JAGODA
	KING
	KRAFT
	LANCE
	LINDER
	MITCHELL
	POSTON
	PRESS
	B. RAINWATER
	SCHLESINGER
	SCHNEIDERS
	SCHULTZE
	SIEGEL
	SMITH
	WELLS
	VOORDE

THE WHITE HOUSE  
WASHINGTON

M-2 118-77

MEMORANDUM FOR: THE PRESIDENT

FROM: ZBIGNIEW BRZEZINSKI 

SUBJECT: Transmittal to the Senate of the  
International Convention for  
Prevention of Pollution from Ships,  
done at London

Attached for your signature is the transmittal to the Senate for their advice and consent to ratification of the International Convention for the Prevention of Pollution from Ships. The Convention was opened for signature January 15, 1974, and was signed on behalf of the United States on March 7, 1974.

Its purpose is the elimination of international pollution of the marine environment and the minimization of accidental discharges. It deals with operational discharges from vessels, establishes strict controls over oil discharges, and imposes regulations for discharges of other pollutants. It also creates standards for the construction and design of ships which will carry these hazardous cargoes.

We do not envisage any opposition to Senate consideration of the Convention.

RECOMMENDATION:

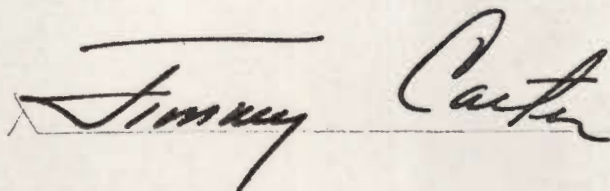
That you sign the transmittal at Tab A.

TO THE SENATE OF THE UNITED STATES:

I transmit herewith, for the advice and consent of the Senate, the International Convention for the Prevention of Pollution from Ships, done at London on November 2, 1973, together with Annexes I and II thereof, and two related Protocols. The report of the Department of State is enclosed for the information of the Senate.

The Convention is one of the most important maritime environmental protection measures ever completed. It deals comprehensively with operational discharges from vessels, establishes strict controls over oil discharges, and imposes regulations for discharges of other pollutants. It also creates standards for the construction and design of ships which will carry these hazardous cargoes.

I feel that entry into force of this Convention will be an important step in controlling and preventing pollution from vessel discharges. I recommend that the Senate give early consideration to the Convention and give its advice and consent to ratification.

A handwritten signature in dark ink, reading "Jimmy Carter". The signature is written in a cursive style with a horizontal line underlining the name.

THE WHITE HOUSE,



THE WHITE HOUSE  
WASHINGTON

March 21, 1977

Z. Brzezinski -

The President signed the attached  
Message to the Congress on  
International Broadcasting. The  
original documents have been sent  
to Bob Linder for transmittal to  
the Congress.

Rick Hutcheson

X

THE WHITE HOUSE  
WASHINGTON

ACTION	FYI
	MONDALE
	COSTANZA
	EIZENSTAT
	JORDAN
	LIPSHUTZ
	MOORE
	POWELL
	WATSON

FOR STAFFING
FOR INFORMATION
FROM PRESIDENT'S OUTBOX
LOG IN/TO PRESIDENT TODAY
IMMEDIATE TURNAROUND

ENROLLED BILL
AGENCY BILL
Staffing comments should go to Bert Carp within 48 hours; due from Carp to Staff Secretary next day.

CAB DECISION
EXECUTIVE ORDER
Staffing comments should go to Doug Huron within 48 hours; due from Huron to Staff Secretary next day.

ACTION	FYI
	ARAGON
	BOURNE
	✓ BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	GAMMILL
	HARDEN
	HOYT
	HUTCHESON
	JAGODA
	KING
	KRAFT
	LANCE
	LINDER
	MITCHELL
	POSTON
	PRESS
	B. RAINWATER
	SCHLESINGER
	SCHNEIDERS
	SCHULTZE
	SIEGEL
	SMITH
	WELLS
	VOORDE

March 16, 1977

MEMORANDUM FOR: THE PRESIDENT

FROM: ZBIGNIEW BRZEZINSKI

SUBJECT: Report to Congress on International Broadcasting

83/2/77

The FY 1977 Foreign Assistance Authorization Act required that the President submit to Congress by January 31, 1977, a report on international broadcasting dealing with effective use of broadcasting facilities, cooperation with foreign governments and plans for expansion and increased effectiveness of Radio Free Europe/Radio Liberty and the Voice of America. The report was completed during the Ford Administration but not forwarded. You wrote to both Houses of Congress on January 31 that you wished to review the subject before forwarding the report and promised it shortly.

It has now been rewritten in the State Department, reviewed in my staff, coordinated with OMB and is ready for you to send to both Houses of Congress. The report concludes that RFE/RL and VOA are making optimum use of their present facilities but that they need more transmitter power to do their job effectively over the next few years. The report recommends a program for building new transmitters which will entail modest increases in financial outlays over the next three years.

Considering the rate at which most other categories of U.S. Government expenditures have been rising, all these radios have been operating very economically. Even with expansion and modernization they would be costing only a tiny fraction of the sums we spend on defense and military and economic aid abroad. In view of their importance as instruments through which we assert our interest in human rights and the free flow of information, I consider a program to strengthen them not only fully justified, but overdue.

RECOMMENDATION

That you forward the attached Report on International Broadcasting to the Congress (TAB C); letters of transmittal are attached at TABs A and B.

Attachments  
TABs A-C



TO THE CONGRESS OF THE UNITED STATES:

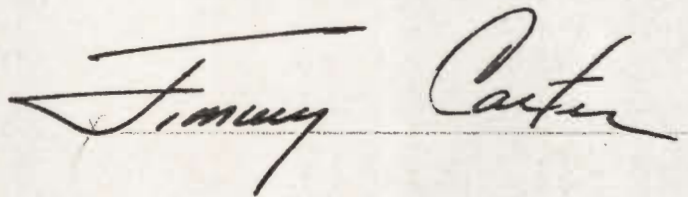
In my letters to the Speaker and to the President of the Senate of January 31, I stated that my advisers were reviewing a report on international broadcasting in compliance with Section 403 of the Foreign Relations Authorization Act, Fiscal Year 1977. That review is now finished.

This Administration firmly supports U.S. international broadcasting as part of our commitment to the freer flow of information and ideas. Among the most valuable instruments we have for this purpose are our international radios -- the Voice of America (VOA) and Radio Free Europe/Radio Liberty (RFE/RL) -- which for many years have been a vital part of the lives of the peoples of Eastern Europe and the Soviet Union. My review of the U.S. international broadcasting effort has led me to the following conclusions, which are reflected in the attached report:

- (1) Present U.S. international broadcast transmission facilities are inadequate; 16 additional 250 Kilowatt transmitters for broadcasts to the Soviet Union and Eastern Europe are needed by VOA and RFE/RL and can be installed in a period of three to five years;
- (2) There is no significant unused transmitter capacity available for sharing among U.S. broadcasters or between U.S. and other Western broadcasters;
- (3) A comprehensive outline of U.S. worldwide broadcasting needs indicates a requirement for 12 additional VOA transmitters for broadcast to Asia and Africa, beyond those required for European broadcasts;

- (4) Extending Board for International Broadcasting-type transmissions to other nations where access to information is restricted would be highly impractical for a variety of reasons.

This report is transmitted pursuant to the requirements of P.L. 94-350, and I believe that implementation of its recommendations can assure the United States of effective broadcasting programs in the years ahead.

A handwritten signature in cursive script, reading "Jimmy Carter". The signature is written in dark ink and is positioned above a horizontal line.

THE WHITE HOUSE,

## THE WHITE HOUSE

WASHINGTON

## WEEKLY POLITICAL REPORT

Memorandum to The President

From: Hamilton Jordan H.J.

Date: March 21, 1977

GUBERNATORIAL OUTLOOK - 1978RETIRING:

Wallace probably will run for the Senate, as will Boren.

Both will leave their seats safe for Democrats.

Kneip is another possible Senatorial candidate. He'd be the strongest Democrat and could help retain the otherwise marginal State House.

Castro will leave real problems for the Democrat who tries to succeed him, although the recent Goldwater disclosures may slightly deflate those problems.

Askew's seat could go either way. The same is true for Shapp, Mandel, O'Callaghan and Exon, although the Republicans have some advantage in Nebraska.

Blanton is very unpopular and will retire. We may not be able to retain the seat.

Among Republicans, Ray and Milliken are possible retirees--

Ray would leave the Governor's chair only to take on Clark in the Senate race. Ray would win, if the election were held today.

Milliken may be getting tired of taking the blame for all of the problems of Michiganders.

Edwards cannot succeed himself. A Democrat probably will replace him.

RUNNING -- SAFE:Democrats

Pryor      Evans  
Brown     Briscoe  
Busbee    Lucey  
Ariyoshi

Republicans

Ray  
Snelling

PROBABLY SAFE:Democrats

Dukakis is gaining ground everyday and, according to Tip O'Neil, will be unbeatable by election day.

Perpich seems popular. Minnesota has never elected a Catholic governor, but the state now is so heavily Democratic that he should retain the seat.

Carey should be OK, despite some of the problems he's had.

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Straub is safe, but concerned that McCall will try to make a comeback. In that case, Straub will be in trouble.

Garrahy should be OK in such a Democratic state. It's too early to know.

Herschler should be OK, but Wyoming is becoming heavily Republican.

Apodaca won with less than 50 percent of the vote, but as the incumbent he has an advantage.

#### Republicans

Hammond may be beatable if Angelo is the Democratic candidate.

Thompson (Ill.) should be safe, although state income tax increase could cause problems.

Thompson (N.H.) is probably safe in such a conservative state.

Bennett may be vulnerable; it's too early to know.

#### IN TROUBLE:

##### Democrats

Lamm is in big trouble (although he could pull out of it). State Legislature went two to one Republican in the last election.

Grasso is in terrible shape. Nick Carbone probably will beat her in the primary and then face an uphill battle in the general.

Byrne cannot be re-elected. If he wins the primary, the seat will go Republican. With another candidate, the Democrats have a chance of retaining the seat.

##### Republicans

Rhodes is in trouble only because Dick Celeste is so strong.



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

*C*

March 21, 1977

THE PRESIDENT HAS SEEN.

MEMORANDUM FOR THE PRESIDENT

FROM: BERT LANCE  
SUBJECT: Report of the Executive Office  
of the President Working Group  
on Water Resource Project Review

The attached two pages list the projects for  
which public hearings are recommended.

*Long - Red River*  
*McChelland - Ten Tombig*  
*Red River*  
*Stennis Ten - Tombig*

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DEPARTMENT OF THE INTERIOR  
Water Projects for Public Hearings

	Total Remaining Cost	FY 1978
	(\$ in Millions)	
<u>Andrus Recommendation</u>		
1. Savery-Pot Hook, Colorado and Wyoming	\$64.0	\$ 6.0
2. Fruitland Mesa, Colorado	74.2	7.7
3. Dolores, Colorado	166.7	5.7
4. Central Arizona Project, Arizona	1,283.6	104.2
5. Bonneville Unit - Central Utah Project, Utah	598.6	32.0
6. Oahe Unit, South Dakota	397.3	17.0
7. Garrison Diversion Unit, North Dakota	418.0	18.7
8. Auburn-Folsom South, California	860.2	39.7
9. Lyman Project, Wyoming <u>I/</u>	4.1	4.2
10. Narrows Unit, Colorado <u>I/</u>	129.2	9.7
11. Dallas Creek, Colorado <u>I/</u>	<u>22.9</u>	<u>12.2</u>
Total	\$4,018.8	\$257.1

I/ Projects not deleted from President's 1978 Budget



## DEPARTMENT OF THE ARMY

Water Projects for Public Hearings

<u>Army List</u>	Total Remaining Cost	FY 1978 (\$ in Millions)
1. Tennessee-Tombigbee Waterway, Alabama and Mississippi	\$989.4	\$157.0
2. Richard B. Russell Dam and Lake Georgia and South Carolina	206.0	21.0
3. Freeport, Illinois <u>1/</u>	8.5	.1
4. Fulton, Illinois	4.4	4.2
5. Grove Lake, Kansas	82.9	1.0
6. Hillsdale Lake, Kansas	24.6	14.0
7. Dayton Floodwall, Kentucky	4.3	2.9
8. Paintsville, Lake, Kentucky <u>1/</u>	23.3	7.3
9. Yatesville Lake, Kentucky	38.7	7.2
10. Atchafalaya River & Bayous Chene, Boeuf & Black, Louisiana	5.0	5.1
11. Bayou Bodcau and Tributaries, Louisiana	7.6	2.4
12. Mississippi River, Gulf Outlet, Louisiana	258.6	.7
13. Red River Waterway, Mississippi River to Shreveport, Louisiana, Arkansas, Oklahoma and Texas	817.8	26.0
14. Tallahala Creed Lake, Mississippi	46.0	5.0
15. Meramec Park Lake, Missouri	78.7	10.0
16. Lukfata Lake, Oklahoma	29.4	.2
17. Applegate Lake, Oregon	60.6	7.4
18. Tyrone, Pennsylvania	26.0	1.5
19. LaFarge Lake and Channel Improvement, Wisconsin	34.9	2.0
20. Cache Basin, Arkansas <u>1/</u>	83.8	2.0
21. Tensas Basin, Arkansas and Louisiana	<u>174.3</u>	<u>10.0</u>
Total	\$3,004.8	\$287.0

1/ Projects included in the original list of 19 which meet criteria for exemption from hearings. Deletion from list is recommended.

PROJECT NAME	TOTAL COST (\$ in millions)	% Project Complete including federal & local sunk costs	Total Non-federal Share (\$ in millions)	% of local share to be spent by end FY 77	Per capita local share (\$ in dollars)	Per capita local share as % of annual per capita income	Amount per capita of local share to be spent by end FY 77	Amount per capita to be spent by FY 77 as % of annual income
Tennessee Tombig- 1/ bee, Ala & Miss.	1, 569.0	18.2%	151.0	8.1% (or 12.2 mil)	\$25.17	0.6%	\$2.03	0.04%
Richard B. Rus- sell, Ga & SC	276.0	7.6%	0	NA	0	0	0	NA
Grove Lake, Kansas	86.0	2.3%	0	NA	0	0	0	NA
Dayton Flood- wall, Kty	10.2	14.7%	2.5	44.0% (or 2.5 mil.)	.74	0.01%	.33	0.007%
Yatesville Lake, Kty	56.9	19.2%	3.3	0%	.97	0.02%	0	NA
Red River Water- way, La,	954.0	14.8%	46.0	8.7% (or 4 mil.)	12.11	0.3%	\$1.05	0.02%
Atchafalaya River & Bayous, La.	22.1	48.4%	1.8	27.8% (or .5 mil.)	.47	0.01%	.13	0.003%
Miss. River, Gulf Outlet, La	363.1	1.1%	100.7	0.4% (or .4 mil.)	26.50	0.6%	.11	0.002%
Tallahala Creek Lake, Miss.	55.7	6.5%	0	NA	0	0	0	0
Meramec Park Lake, MO.	124.0	28.5%	0	NA	0	0	0	0
Lukfata Lake, Okla.	31.5	6.3%	0	NA	0	0	0	0
Applegate Lake, Oregon	81.9	9.2%	.5	0%	.22	0.004%	0	0
Tyrone, Pa.	36.9	17.9%	3.0	6.7% (or .2 mil)	.25	0.004%	.02	0.0003%
Hillsdale Lake Kan.	55.7	30.7%	0	NA	0	0	0	0
Bayou Bodcau, La.	17.9	26.8%	3.4	8.8% (or .3 mil.)	.89	0.02%	.08	0.002%
Fulton, Illinois	11.5	12.2%	1.9	26.3% (or .5 mil.)	.17	0.003%	.04	0
Tensas Basin, Ark & La.	271.9	31.4%	.5	80% (or .4 mil.)	.08	0.002%	.07	0.002%
LaFarge Lake, Oregon	55.7	33.2%	.3	0%	.07	0.001%	0	0
Cache Basin, 2/ Ark.	267.7	1.9%	4.1	4.9% (or .2 mil.)	1.95	0.04%	.10	0.002%
Paintsville Lake, 2/ Kty.	41.6	26.2%	1.7	0%	.50	0.01%	0	0
Freeport, 2/ Illinois	12.0	6.7%	2.7	0%	.24	0.004%	0	0

1/ PL 92-280, signed in the fall of 1976 and sponsored by the Mississippi delegation, provides authority for the Federal Government to pay the local share of water project costs for transportation facilities whose costs have increased substantially since the project was initially authorized and payment of these added costs would pose a hardship on the state involved. This will relieve Alabama and Mississippi of the vast majority of the local share which they originally agreed to provide. Of funds appropriated in FY 77 under this authority, Alabama has been allocated \$11.2 million.

2/ Added to this chart at Hamilton's suggestion.



THE WHITE HOUSE

WASHINGTON

Meeting with Members of the  
Ford Foundation Study Group of Nuclear Power  
The Cabinet Room  
Monday, March 21, 1977  
2:30 p.m.  
Meeting to last 20 minutes

MEMORANDUM FOR: THE PRESIDENT

FROM: Frank Press

I. Purpose

To discuss the findings of the Ford Foundation sponsored study of "Nuclear Power — Issues and Choices," presented by the chairman and other members of the study panel.

II. Procedure

The panel is prepared to receive your questions or comments immediately or present an initial 5 minute summary.

II. A. Background

A blue ribbon panel, sponsored by the Ford Foundation, has just completed a major study of nuclear power. You reviewed the summary of their findings I sent you on March 1, and approved a meeting to hear from the panelists a short presentation of their work. You may recall that the most significant conclusions are that:

- nuclear and coal power are roughly competitive in economic and social costs, and it is advisable to proceed with both energy sources as a hedge against unexpected problems.
- nuclear weapon proliferation is the most serious risk associated with nuclear power.
- the reprocessing of light water reactor fuel is not a necessary step and should be put off indefinitely.
- a commitment to a commercial breeder program can be postponed because uranium will be available to fuel conventional reactors, but long term breeder development should proceed as an insurance program.



B. Participants

The list of participants is attached.

C. Press Coverage

Press photo session at the beginning of the meeting.

D. Coordination

Briefing paper has been coordinated with Dr Schlesinger.

IV. Talking Points

1. Did you look critically at the coal pollution problem, including climatic change, in concluding that vigorous coal utilization should proceed?
2. The decision to slow down the breeder depends on the amount of natural uranium we can mine (or import) to keep conventional reactors fueled. How firm are your estimates that the natural uranium resources exist in needed quantities at an acceptable price?
3. If reprocessing proceeds abroad, what utility is there in the US foregoing it? Might not an international reprocessing program, involving US participation, be better in halting proliferation?
4. Can conservation practices, coal usage and nuclear power be brought on stream sufficiently rapidly to avoid major dislocations in the economy, employment or the quality of life in the next 25 years?

Attachment

NUCLEAR ENERGY POLICY STUDY GROUP  
Membership

Seymour Abrahamson, Professor of Genetics, University of Wisconsin

Kenneth Arrow, James Bryant Conant University Professor, Harvard University;  
Nobel Laureate in Economics

Albert Carnesale, Associate Director, Program for Science and International  
Affairs, Harvard University

Abram Chayes, Felix Frankfurter Professor of Law, Harvard Law School;  
formerly, Counsel, Department of State

Hollis B. Chenery, Vice President, Development Policy, International Bank  
for Reconstruction and Development

Paul Doty, Director, Program for Science and International Affairs, Harvard  
University; also Professor of Biochemistry

Philip Farley, Senior Fellow, The Brookings Institution; formerly Assistant  
Secretary, Department of State

Richard L. Garwin, IBM Fellow, IBM Corporation, Thomas J. Watson Research  
Center

Marvin Goldberger, Eugene Higgins Professor of Physics, Princeton University

Carl Kaysen, David W. Skinner Visiting Professor of Political Science, School  
of Humanities and Social Sciences, Massachusetts Institute of Technology;  
formerly Deputy National Security Adviser (President Kennedy)

Spurgeon M. Keeny, Jr., Director, Policy and Program Development, The MITRE  
Corporation (Washington Operations)

Hans H. Landsberg, Co-Director, Energy and Materials Division, Resources  
for the Future

Thomas L. Neff, Massachusetts Institute of Technology

Joseph S. Nye, Jr., Deputy to the Under Secretary of State for Security  
Assistance

Wolfgang K. H. Panofsky, Director, Stanford Linear Accelerator Center,  
and Professor of Physics

Howard Raiffa, Frank P. Ramsey Professor of Managerial Economics, John F.  
Kennedy School of Government, Harvard University

George Rathjens, Professor of Political Science, Massachusetts Institute of  
Technology; formerly senior staff, Arms Control and Disarmament Agency

Thomas C. Schelling, Lucius N. Littauer Professor of Political Economy,  
Harvard University

Arthur Upton, Professor of Pathology, State University of New York, Stony Brook.



THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR THE PRESIDENT

FROM: JACK WATSON

SUBJECT: AMERICAN AGRICULTURE DAY  
LUNCH WITH FARMERS  
March 21, 1977 - 1:00 p.m. - Cabinet Room

In recognition of American Agriculture Day, Bob Bergland has arranged for five farmers to meet with you over lunch today. American Agriculture Day was started by the National Agri-Marketing Association to promote better understanding of the importance of agriculture to the national economy and to create better communications between the farmer and the consumer.

The White House lunch has been advertised as an opportunity for small family farm operators to give you their views on farm problems and their solutions. They are meeting briefly with Secretary Bergland before lunch; Deputy Secretary John White will accompany them to the White House. The Vice President, Senator Herman Talmadge and Congressman Tom Foley (Agriculture Committee Chairmen) will also attend.

I have attached talking points from Secretary Bergland and from Lynn Daft (Domestic Council), as well as a brief biographical sketch of each farmer.



Jose Hinjose, Edcouch, Texas. He was born in Edcouch, Texas; farms a 700 acre farm; his crops are mainly grain sorgum and cotton, some corn, and occassionally cabbage. He farms in and around Edcouch, Elsa La Villa, and Mercedes. He has been farming since he left high school. In addition to farming he owns and operates four cotton pickers and two combines which he uses in picking his own crops and for custom work for others outside. He is single, supports a mother and grandmother, and has three married brothers.

Homer Foster, Merville, Iowa. He was born in Merville, Iowa, in the house he now lives in. His wife was born in the same community 30-40 miles from Sioux City. He was a good baseball player in high school. His son farms nearby. He farms corn, hogs and cattle.

Tom Davis, Coulee City, Washington. He is a wheat farmer and was raised in Coulee City on a farm; lived in Coulee City all his life. He has owned a 4,000 acre dryland wheat farm for 30 years.

W. Robert Hawrigan, Fairfield, Vermont. He has farmed all his life since leaving school; has 250 tillable acres used for feeding. His principal crops are: dairy cattle, feeding tap 8,000 maple trees. He owns his farm. He was born on a farm in Vermont near the Canadian Border. He started his farm with about 23 cows and now is milking 150.

James R. Frazier, Bucksport, SC. He is 38 years old and is black. He is actively involved in working for the establishment of local markets for produce, and the State Farmers Market in Columbus, Atlanta, and other local markets established working with the State. He is a poultry and vegetable farmer. He leases his tobacco out, flue-cured tobacco staple.

Secretary Bergland's suggested talking points for you while meeting with the farmers are as follows:

--The Administration is proposing legislation to protect farmers from natural and economic disasters.

--The proposal is designed to protect farm prices and income while at the same time allow U.S. farm products to compete in world markets.

--Income support levels will be tied to costs of production.

--A food reserve program has been developed that provides incentives to farmers to hold grain off the market under specified conditions. The size of the reserve will be limited pending the outcome of international reserve negotiations.

--The disaster program is being extended with modifications to improve effectiveness and to remove inequities.



THE WHITE HOUSE

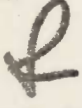
WASHINGTON

March 19, 1977

MEMORANDUM FOR:

JACK WATSON

FROM:

LYNN DAFT 

SUBJECT:

Agricultural Day

POSSIBLE TALKING POINTS

Drought. Two or three of these farmers are from areas that are probably affected by the drought. Could ask them about effects of the drought.

Dairy. One of your guests is a Vermont dairy farmer. Might ask about their general economic situation with existing fluid milk price levels.

Farmers Markets. The farmer from South Carolina has been involved in establishing local farmers markets. Could inquire of their success in that regard.

Grain Reserve. Many farmers are skeptical over the use of grain reserves. You could explore their feelings with regard to a reserve that would stabilize prices within a relatively wide price band (i.e. would not release reserves until prices had risen significantly above support levels) and would be largely farmer held.

Federal Program Delivery. Could ask about their personal experiences with Federal agricultural agencies at the local level: Extension Service, Soil Conservation Service, Farmers Home Administration, Agricultural Stabilization and Conservation Service.

Cost-of-Production. It would be interesting to discuss the range in cost-of-production experienced by these operators. I note that two have been farming for many years.

Entry Into Farming. Aggregate numbers for the U. S. show that the decline in farm numbers has moderated and that more young people are entering. Might ask if that trend is evident in their community.



THE WHITE HOUSE  
WASHINGTON

March 21, 1977

Stu Eizenstat -

The attached was returned in  
the President's outbox. It is  
forwarded to you for appropriate  
handling.

Rick Hutcheson

Re: Deferrals on Water Resources  
Projects

THE WHITE HOUSE  
WASHINGTON

ACTION	FYI
	MONDALE
	COSTANZA
	✓ EIZENSTAT
	JORDAN
	LIPSHUTZ
	MOORE
	POWELL
	WATSON

FOR STAFFING
FOR INFORMATION
✓ FROM PRESIDENT'S OUTBOX
LOG IN/TO PRESIDENT TODAY
IMMEDIATE TURNAROUND

ENROLLED BILL
AGENCY BILL
Staffing comments should go to Bert Carp within 48 hours; due from Carp to Staff Secretary next day.

CAB DECISION
EXECUTIVE ORDER
Staffing comments should go to Doug Huron within 48 hours; due from Huron to Staff Secretary next day.

ACTION	FYI
	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	GAMMILL
	HARDEN
	HOYT
	HUTCHESON
	JAGODA
	KING
	KRAFT
	LANCE
	LINDER
	MITCHELL
	POSTON
	PRESS
	B. RAINWATER
	SCHLESINGER
	SCHNEIDERS
	SCHULTZE
	SIEGEL
	SMITH
	WELLS
	VOORDE



THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

March 18, 1977

MEMORANDUM FOR: THE PRESIDENT  
FROM: Stu Eizenstat *Stu*  
SUBJECT: Deferrals on Water Resource Projects

This memo should answer the questions you asked today about the deferral message on four water projects:

- 1) There is only one actual deferral: Meramec Park (Missouri). The other three deferrals are technical in nature -- they are necessitated by the fact that, for a period of five days, OMB did not permit expenditures on three projects (Yatesville Lake, Bayou Chene, and Central Arizona).
- 2) OMB had deferred expenditures on those three projects out of a belief that, during the review period, the Administration might not want to spend funds already obligated to any of the projects under review. The three projects in question were the only ones for which expenditures were due during the five-day period.
- 3) Once the Senate had approved the Johnston Amendment, OMB believed it impractical, and perhaps illegal, to withhold any longer expenditures on the 19 projects for FY'77, except for Meramec. The Senate vote had specifically exempted Meramec, for Senator Eagleton (like the Missouri House delegation) supports a continued deferral in that project.
- 4) The Administration is required to report to Congress all deferrals, even the temporary ones on the three projects. Once reported, Congress has sixty days to overturn a deferral, which can be done by an affirmative vote in either the House or the Senate. There is, no longer of course,

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for Preservation Purposes**



anything to be overturned on the three projects; Meramec will not be overturned.

5) A source of the confusion on the deferral question probably derives from some uncertainty about the Administration's intentions on FY'77 funds for the 19 projects. It had always been my understanding that the deletions were intended only for FY'78 funds, with FY'77 funds to be left unchanged. OMB may have had a different understanding.

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE  
WASHINGTON

ok  
JC

MINUTES OF THE CABINET MEETING

Monday, March 21, 1977

The ninth Cabinet Meeting was called to order by the President at 8:07 a.m., Monday, March 21, 1977. All but two Cabinet members were present. Ambassador Young was represented by Deputy Permanent Representative to the United Nations-Designate, James Leonard. Secretary Vance was represented by Deputy Secretary Warren Christopher. Other persons present were:

Joe Aragon	Robert Lipshutz
Zbigniew Brzezinski	Bunny Mitchell
Landon Butler	Dick Moe
Stuart Eizenstat	Frank Moore
Jane Frank	Frank Press
Rex Granum	Charles Schultze
Jim King	Stansfield Turner
Charles Kirbo	Jack Watson

The President asked for comments from Cabinet members, beginning with the Secretary of Defense:

(1) Mr. Brown made a special 15-minute presentation, with charts, on the impact of defense installations, defense contracts, and personnel on state and local communities. He briefly discussed ways in which the defense structure is, and can be, used to effect various economic and social benefits. He cited as examples, Project 1000 -- a program employing people with low I.Q.'s; the open housing policy around Defense bases; and recent experiments, in cooperation with ERDA, on solar energy.

Mr. Brown observed that our current base structure exceeds the appropriate size for our force structure. He outlined certain efforts by DOD to realign the base structure in an effort to save as much as \$300 million annually.

The President noted that he does not want to keep unnecessary bases open. He reiterated his request that HEW, HUD, Commerce, Labor and DOD work together to minimize adverse

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for Preservation Purposes**

economic consequences from base closures. Mr. Brown pointed out that he chairs the President's Economic Adjustment Committee which, with local cooperation, can be very effective in making appropriate economic adjustments in an affected area.

(2) Ms. Kreps reported that there is no immediate crisis on the tuna/porpoise issue. The total ban on catching spinner porpoises has been modified, although the fisherman are pushing for additional changes in the law. Environmentalists oppose further changes to the law. The President indicated that he does not favor any legislative changes which would adversely affect or weaken environmental protection.

(3) Mr. Adams said that his memo on the Bermuda Agreement negotiations is on the President's desk.

-- He reported that the oil pollution initiatives have been announced.

-- On cargo preference, he is deferring to Ms. Kreps. Stu Eizenstat indicated that proposals were being prepared for the President.

-- A Notice of Proposed Rule Making is being filed today on airbags.

-- DOT is scheduling auto fuel economy hearings.

The President said that the air rights (Bermuda Agreement) question is very important. He plans to meet with Mr. Adams, Dick Cooper and Alan Boyd, U. S. negotiator to the Bermuda Agreement talks, sometime later this week.

(4) Dr. Schlesinger has already received 13,000 letters on energy policy.

Dr. Schlesinger commented briefly on the pending energy reorganization legislation. Some questions have been raised regarding the adjudicatory procedures of the FPC. The President said that he had talked to Senators Byrd and Ribicoff concerning the Senate's schedule and learned that Congress will be in recess for more than a week in April.

(5) Ms. Harris said that HUD will soon announce a solar heating/hot water project.

-- She outlined several important initiatives that HUD is undertaking.



The President commented on HUD's "hot line" mentioned in Ms. Harris's weekly summary. He said that Mr. Lance and GSA are doing an analysis of the operation. The President also noted that he wants to increase and improve the use of consumer tie lines and the federal information centers.

(6) Mr. Bergland reported that he is scheduled to testify in the Senate and House this week on the Administration's agricultural program, food stamps and P.L. 480.

-- He plans to go to California April 9 - 13 to meet with Governor Brown on the drought.

The President said that Governor Brown will be in town today and tomorrow and will stay at the White House. Cabinet members who want to see him or have things to communicate to him should let Jack Watson know. The President will make a decision on the farm legislation by noon tomorrow.

(7) Mr. Blumenthal discussed the status of the tax rebate proposal now pending in the Congress.

-- The EPG meets today to discuss shoe imports, minimum wages and the funding of unemployment compensation.

-- Mr. Blumenthal said that, in his opinion, there are serious problems with including tax expenditures in sunset legislation.

(8) The Vice President reported that a memorandum on long-term planning will go out to Cabinet members today. The information solicited from Cabinet members should be sent to Jack Watson by Thursday evening, March 24.

(9) Attorney General Bell described his recent meeting in San Diego with sixteen illegal aliens. Mr. Bell reported that there are approximately 1,500 illegal aliens in the federal prison system.

The President underscored the importance of Cabinet members getting out into the country to talk to people whose lives and interests are constantly affected by what we do, or fail to do, in Washington. He asked the Attorney General to explore alternatives with respect to the 1,500 illegal aliens in federal prisons.

(10) Mr. Marshall stressed the need for inter-Cabinet coordination on enforcing provisions against discrimination in government contracts. He plans to send a memorandum to all Cabinet members on the subject.

-- He described some of the problems with OSHA and suggested that better regulations and more self-regulation were needed.

(11) Dr. Brzezinski discussed the forthcoming meeting between Secretary Vance and the Nigerian Foreign Minister.

-- The NSC is scheduling various planning meetings preliminary to Secretary Vance's trip to Moscow.

-- Other issues now being considered by the NSC are a revised approach to Latin America; a review of U. S. force posture, in collaboration with DOD; and a comprehensive assessment of American-Soviet relations.

(12) The President outlined developments in Zaire.

-- He said that David Owen, the new British Foreign Minister, is going to Africa to continue work on African policy.

-- He stated that Cy Vance was absent because of the Fukuda visit and preparations for his trip to Moscow.

-- The President underscored the importance of the SALT II negotiations and said that the NSC is meeting on that subject this week.

-- He noted that Paul Warnke will accompany Mr. Vance on the Moscow trip.

(13) Mr. Schultze discussed findings of a recent University of Michigan survey of consumer attitudes.

(14) The President commented on press reports concerning an EPG document on anti-inflation impact. The President said that although he does not intend to repeal valuable existing programs, he firmly believes that some trade-offs are necessary before pursuing programs with significant inflationary impact.

(15) Mr. Califano has issued a directive establishing a rebuttable presumption that all HEW committees should be abolished.



-- He described some problems in HEW's Office of Civil Rights.

-- He reminded Cabinet members to review HEW proposed regulations on the handicapped which were circulated to them several weeks ago. The President and Ms. Harris stated their concern with including alcoholics and drug addicts in the definition of "handicapped."

-- Mr. Califano plans to announce soon formation of a group to work on National Health Insurance.

-- He suggested that the Congressional leadership be urged to move on pending nominations as expeditiously as possible.

(16) Mr. Andrus pointed out the low number of jobs created by water projects.

-- He described Interior's efforts to increase the amount and availability of natural gas.

-- Mr. Andrus leaves this afternoon for Jamestown, North Dakota, to chair a public hearing on the Garrison Diversion Project.

-- In connection with Governor Brown's visit, Mr. Andrus mentioned the need for a decision on appropriating additional "buffer land" around the Redwood National Park in California. The President said that consideration should be given to state financial participation in such a project.

(17) Mr. Christopher said that reports from the President's MIA Commission to Vietnam are good and that prospects for normalization of relations with that country seem favorable.

-- The Committee on Ambassadorial Selections has identified lists for the first round of ambassadorial appointments and is beginning work on lists for a second round of appointments. The President commented that he is extremely proud of the Committee, and especially of the conscientious and meticulous leadership of Governor Askew.

(18) The President said that he talked to MIA Commission Chairman Leonard Woodcock at 6 a.m. this morning upon the Commission's return to Hawaii. According to Mr. Woodcock, the Vietnamese have offered to set up a committee



to trace other MIA's based on information supplied by DOD. Mr. Woodcock reported that the Commission believes that Laos will institute similar procedures to those adopted by Vietnam.

-- The President asked Cabinet members to let him know of information to be transmitted to diplomatic officials who visit him. Cabinet members should also indicate if they want to meet with the foreign leaders or their Cabinet counterparts.

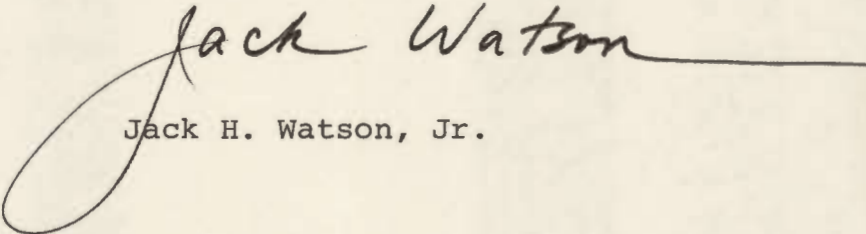
-- The President underscored the importance of the economic summit meeting in London in May. Many of the foreign heads of state with whom he has met will be there. Any Cabinet member with important information or advice on this topic should transmit it to Dr. Brzezinski.

-- The President said that he is generally pleased with the Administration's working relationship with the Congress and wants everyone to continue his/her best efforts to maintain and improve that relationship.

(19) Ms. Harris requested that the Cabinet meet to discuss the final energy package developed by Dr. Schlesinger in advance of any release of that package. The President agreed and suggested that the meeting be scheduled two or three days in advance of the release.

The meeting was adjourned by the President at 10:02 a.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Jack Watson". The signature is written in dark ink and is positioned above the printed name. A long horizontal line extends from the end of the signature across the page.

Jack H. Watson, Jr.

THE WHITE HOUSE  
WASHINGTON

March 22, 1977

Bob Linder -

Re: Diplomas for the Graduating  
Class of Gallaudet College

The President reviewed the matter of  
using his signature facsimile for the  
diplomas of the graduating class and  
make the following notation:

"Why me? "

Please follow up with appropriate  
action.

Rick Hutcheson

P.S. The forms are returned herewith.



## MEMORANDUM

## THE WHITE HOUSE

WASHINGTON

INFORMATION

21 March 1977

TO: THE PRESIDENT  
FROM: RICK HUTCHESON *RL*  
SUBJECT: Memoranda Not Submitted

1. SCHULTZE MEMO informing you that he met with the President and Chairman of the Board of Alcoa. After some discussion they agreed to reduce the increase in aluminum prices from 8.3% to about 6% for Ingots, and to reduce their increase on fabricated products from 6.1% to 4.9%. ✓

Schultze said he did not know whether the initial proposal was a stalking horse or not. However, the lower set of numbers keeps the Ingot price increase within the 6% range, which is important symbolically. Jody has been informed.

2. Request from Gallaudet College (the President is a Patron ex officio) for a signature facsimile for the diplomas of the graduating class, as has been done by previous Presidents. With your approval, will use the signature pen.

Do you wish to continue to review each use of the signature pen in matters such as the above?

*Why me?*

       yes        no

3. JAGODA MEMO regarding response to your letter to TV networks about captioning TV for the deaf. NBC and CBS were unenthusiastic (it would cost money; technical problems; small potential audience) but they are willing to discuss it. ABC supported captioning, and proposed that the government sponsor meetings to work out technical problems. PBS is already using captioning for some programs, and says its system will be ready for use by all networks in 1979.

Jagoda recommends you accept the ABC suggestion and invite the networks and other interested groups to a series of conferences (Stu concurs). These would work out a coordinated system which you could urge the networks to accept. Barry will arrange details.

*Why not  
one  
conference  
J*

✓ approve        disapprove



MEMORANDUM

THE WHITE HOUSE

WASHINGTON

INFORMATION

21 March 1977

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*Why me?*

       yes        no

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*Why not one conference?  
J*

  ✓   approve        disapprove

THE CHAIRMAN OF THE  
COUNCIL OF ECONOMIC ADVISERS  
WASHINGTON

March 21, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: CHARLIE SCHULTZE

CLS

This morning the Chairman of the Board, President and two other representatives of Alcoa, visited with me and with Dan Brill (Assistant Secretary of the Treasury for Economic Policy).

In earlier phone calls they had indicated that they were going to raise aluminum prices by the following amounts:

1. Aluminum Ingot  
.48¢ to .52¢ per lb.; 8.3%
2. Fabricated products (but only 1/3 of products are affected).  
6.1% increase
3. Increases represent a rise of 2.3% when spread across all Alcoa sales.

After some discussion they appeared to be willing to reduce their increase on Ingot from .4¢ to .3¢ (a percentage increase of approximately 6) and to reduce their increase on fabricated products 6.1% to 4.9%.

Because we did not have sufficient time or information to get a full appreciation of their cost problems it is hard to know whether we are getting a bargain or not; it's a little hard to tell whether the initial proposal was a stalking horse. In any event, assuming they go with the lower set of numbers it will keep the Ingot price increase from going out of the 6% range - which is important symbolically.



They will probably announce this afternoon (Monday) or tomorrow. If asked they will say simply that they did discuss it with us in advance and each side tried to understand the others problems. I will inform Jody Powell and give him the attached suggested response in case he is asked.



Officials of Alcoa did discuss their proposed price increase with Administration officials (Council of Economic Advisers' Chairman, Charles Schultze and Assistant Secretary of the Treasury, Daniel Brill) Monday morning. The Administration is not in a position of either approving or disapproving the increases. We do, however, appreciate having some advance discussions about these matters and the Alcoa officials did show some flexibility in their approach given the Administration's particular desire to limit price increases which might lead to a new and higher rate of inflation.

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

March 21, 1977

MEMORANDUM FOR:

RICK HUTCHESON

FROM:

BOB LINDER *linder*

SUBJECT:

Diplomas for the Graduating  
Class of Gallaudet College

It is a custom of long standing for the diplomas of the graduating class of Gallaudet College to bear the signature of the President, inasmuch as he is a Patron ex Officio of the College. In addition, each student is given a billfold-size miniature diploma.

The signatures on the attached form are now requested so that they can be used in printing these miniatures. The actual diplomas will follow in a few weeks.

If you will return the completed forms to me, I will get them back to the College.

Attachments (2)

100-11-1011

THE WHITE HOUSE  
WASHINGTON

March 22, 1977

Barry Jagoda -

Re: TV for the Deaf

Your memorandum of March 16 on the above subject has been approved by the President.

The President asked "Why not one conference? "

Please follow up with appropriate action.

Rick Hutcheson

cc: Stu Eizenstat



## THE WHITE HOUSE

WASHINGTON

INFORMATION

21 March 1977

TO: THE PRESIDENT  
FROM: RICK HUTCHESON *RL*  
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*Why me?*

\_\_\_\_\_yes \_\_\_\_\_no

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Jagoda recommends you accept the ABC suggestion and invite the networks and other interested groups to a series of conferences (Stu concurs). These would work out a coordinated system which you could urge the networks to accept. Barry will arrange details.

*Why not  
one  
conference  
J*

✓\_\_\_\_\_approve \_\_\_\_\_disapprove

THE WHITE HOUSE  
WASHINGTON

Note to  
Sagoda  
your memo approved -  
"why not one  
conference?"



THE WHITE HOUSE

WASHINGTON

March 16, 1977

MEMORANDUM FOR:

THE PRESIDENT

FROM:

BARRY JAGODA **B.J.**

SUBJECT:

TV for the Deaf

The networks have responded to your letter asking about closed captioning and other techniques to let the deaf use TV. NBC and CBS were unenthusiastic but said they are willing to discuss it. (Their letters argued that captioning has technical problems and a small potential audience, but their main objection is that it would cost money.) ABC supported captioning and proposed that the Government sponsor meetings to work out the technical problems. Public Broadcasting said it is already using captioning on some programs and said the system it is developing (with HEW grants) will be ready for use by all networks in 1979.

I recommend you accept the ABC suggestion and invite the networks and other interested groups (including representatives of the deaf) to a series of conferences. These would work out a coordinated system which you would urge the networks to adopt. I would arrange the details with HEW.



THE WHITE HOUSE  
WASHINGTON

Date: March 18, 1977

MEMORANDUM

FOR ACTION:

Midge Costanza  
Stu Eizenstat - *see attached*  
Jody Powell  
Jack Watson

FOR INFORMATION: Hamilton Jordan

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Barry Jagoda memo 3/16/77 re  
TV for the Deaf.

YOUR RESPONSE MUST BE DELIVERED  
TO THE STAFF SECRETARY BY:

TIME: 10:00 A.M.

DAY: Monday

DATE: March 21, 1977

ACTION REQUESTED:

☒ Your comments

Other:

STAFF RESPONSE:

☐ I concur.

☐ No comment.

Please note other comments below:

**PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.**

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)

THE WHITE HOUSE

WASHINGTON

March 16, 1977

MEMORANDUM FOR:

THE PRESIDENT

FROM:

BARRY JAGODA **B. J.**

SUBJECT:

TV for the Deaf

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Done: TV for  
the Deaf

THE WHITE HOUSE  
WASHINGTON

ACTION	FYI	
		MONDALE
X		COSTANZA
X		EIZENSTAT
	X	JORDAN
		LIPSHUTZ
		MOORE
X		POWELL
X		WATSON

X	FOR STAFFING
	FOR INFORMATION
	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

	ENROLLED BILL
	AGENCY BILL
	Staffing comments should go to Bert Carp within 48 hours; due from Carp to Staff Secretary next day.

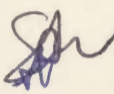
	CAB DECISION
	EXECUTIVE ORDER
	Staffing comments should go to Doug Huron within 48 hours; due from Huron to Staff Secretary next day.

ACTION	FYI	
		ARAGON
		BOURNE
		BRZEZINSKI
		BUTLER
		CARP
		H. CARTER
		CLOUGH
		FALLOWS
		FIRST LADY
		GAMMILL
		HARDEN
		HOYT
		HUTCHESON
		JAGODA
		KING
		KRAFT
		LANCE
		LINDER
		MITCHELL
		POSTON
		PRESS
		B. RAINWATER
		SCHLESINGER
		SCHNEIDERS
		SCHULTZE
		SIEGEL
		SMITH
		WELLS
		VOORDE



THE WHITE HOUSE  
WASHINGTON

March 18, 1977

MEMORANDUM FOR THE PRESIDENT  
FROM: STU EIZENSTAT   
STEVE SIMMONS  
RICK NEUSTADT  
SUBJECT: Barry Jagoda Memo on TV for the Deaf

We strongly concur with the recommendation Barry makes for convening conferences to develop a closed captioning television system for the deaf. It has been demonstrated that closed captioning technically can be done. It would be an invaluable aid for the millions of Americans with impaired hearing.

Date: March 18, 1977

MEMORANDUM

*h*

FOR ACTION:

Midge Costanza  
Stu Eizenstat ✓  
Jody Powell  
Jack Watson

FOR INFORMATION: Hamilton Jordan

200

*XC*  
*cap*  
*on*  
*Neustadt*

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Barry Jagoda memo 3/16/77 re  
TV for the Deaf.

YOUR RESPONSE MUST BE DELIVERED  
TO THE STAFF SECRETARY BY:

TIME: 10:00 A.M.

DAY: Monday

DATE: March 21, 1977

ACTION REQUESTED:

☒ Your comments

Other:

STAFF RESPONSE:

☐ I concur.

☐ No comment.

Please note other comments below:

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)



THE WHITE HOUSE

WASHINGTON

March 16, 1977

MEMORANDUM FOR:

THE PRESIDENT

FROM:

BARRY JAGODA **B.J.**

SUBJECT:

TV for the Deaf

The networks have responded to your letter asking about closed captioning and other techniques to let the deaf use TV. NBC and CBS were unenthusiastic but said they are willing to discuss it. (Their letters argued that captioning has technical problems and a small potential audience, but their main objection is that it would cost money.) ABC supported captioning and proposed that the Government sponsor meetings to work out the technical problems. Public Broadcasting said it is already using captioning on some programs and said the system it is developing (with HEW grants) will be ready for use by all networks in 1979.

I recommend you accept the ABC suggestion and invite the networks and other interested groups (including representatives of the deaf) to a series of conferences. These would work out a coordinated system which you would urge the networks to adopt. I would arrange the details with HEW.



68  
Date: March 18, 1977

WASHINGTON  
MEMORANDUM

FOR ACTION:

Midge Costanza  
Stu Eizenstat  
Jody Powell  
Jack Watson

FOR INFORMATION: Hamilton Jordan ✓

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Barry Jagoda memo 3/16/77 re  
TV for the Deaf.

YOUR RESPONSE MUST BE DELIVERED  
TO THE STAFF SECRETARY BY:

TIME: 10:00 A.M.

DAY: Monday

DATE: March 21, 1977

ACTION REQUESTED:

☒ Your comments

Other:

STAFF RESPONSE:

☐ I concur.

☒ No comment.

*Please note other comments below:*

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)

THE WHITE HOUSE  
WASHINGTON

March 21, 1977

Bert Lance -

The attached was returned in  
the President's outbox. It is  
forwarded to you for appropriate  
handling.

Rick Hutcheson

Re: The Overtime/Employment  
Limit Relationship

cc: Jack Watson  
Hugh Carter  
Richard Harden  
Charlie Schultze

THE WHITE HOUSE  
WASHINGTON

ACTION	FYI
	MONDALE
	COSTANZA
	EIZENSTAT
	JORDAN
	LIPSHUTZ
	MOORE
	POWELL
	X WATSON

	FOR STAFFING
	FOR INFORMATION
X	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

	ENROLLED BILL
	AGENCY BILL
	Staffing comments should go to Bert Carp within 48 hours; due from Carp to Staff Secretary next day.

	CAB DECISION
	EXECUTIVE ORDER
	Staffing comments should go to Doug Huron within 48 hours; due from Huron to Staff Secretary next day.

ACTION	FYI
	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	X H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	GAMMILL
	V HARDEN
	HOYT
	HUTCHESON
	JAGODA
	KING
	KRAFT
	X LANCE
	LINDER
	MITCHELL
	POSTON
	PRESS
	B. RAINWATER
	SCHLESINGER
	SCHNEIDERS
	X SCHULTZE
	SIEGEL
	SMITH
	WELLS
	VOORDE



THE WHITE HOUSE  
WASHINGTON

Mr. President:

Schultze concurs with Lance.

Hugh Carter suggests that Cabinet Officers turn in rules to OMB, and that an overtime report be submitted to OMB monthly. Richard Harden suggests a single-page summary showing total manhours and total cost by category of employment.

No other comments received.

Rick

To Lance  
J.C.



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

MAR 18 1977

MEMORANDUM FOR THE PRESIDENT

FROM: BERT LANCE

*BR-*

SUBJECT: The Overtime/Employment Limit Relationship

Your recent note asked:

What rules on overtime should be established to prevent circumvention of employment limits in government?

The use of overtime is limited by the funds available to pay salaries and expenses. Currently, estimates for overtime do not include increases over amounts for the preceding year, except for extension of the regular workweek that must be specifically and fully justified. Overtime is required to be estimated as accurately as possible, even though additional costs (other than extension of the regular workweek) must be absorbed. In this sense, therefore, planned increases in the use of overtime would be identified and could be controlled under the existing system.

Further limits could be placed on the use of overtime by requiring that all estimates of overtime be specifically and fully justified in the future even though they do not exceed the amounts for the preceding year. The difficulty with this approach is that it would be extremely difficult to enforce. Unless a special new reporting system were instituted, violations of the limits would not be identified until months after the fact.

Alternatively, Cabinet officers could be asked to devise overtime rules appropriately suited to their own operations. A requirement that this be done could be established when agencies are notified of their new employment ceilings. We recommend this approach.

- ☐ Establish controls and reports on overtime.
- ☒ Instruct Cabinet officers to establish rules.
- ☐ Allow Cabinet officers to decide if rules are needed.

Electrostatic Copy Made  
for Preservation Purposes

THE WHITE HOUSE  
WASHINGTON

Date: March 18, 1977

MEMORANDUM

FOR ACTION:

The Vice President  
Stu Eizenstat  
Jack Watson  
Hugh Carter - *see comments*  
Richard Harden  
Charlie Schultze - *concur*

FOR INFORMATION:

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Bert Lance memo 3/18/77 re The Overtime/  
Employment Limit Relationship.

YOUR RESPONSE MUST BE DELIVERED  
TO THE STAFF SECRETARY BY:

TIME: 4:00 P.M.

DAY: Monday

DATE: March 21, 1977

ACTION REQUESTED:

☒ Your comments  
Other:

STAFF RESPONSE:

☐ I concur. ☐ No comment.  
*Please note other comments below:*

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)



THE WHITE HOUSE  
WASHINGTON

*Lance;*  
*Overtone*  
*Employment*  
*Limit*  
*Relationship*

ACTION	FYI	
X		MONDALE
		COSTANZA
X		EIZENSTAT
		JORDAN
		LIPSHUTZ
		MOORE
		POWELL
X		WATSON

X	FOR STAFFING
	FOR INFORMATION
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	LOG IN/TO PRESIDENT TODAY
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	EXECUTIVE ORDER
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ACTION	FYI	
		ARAGON
		BOURNE
		BRZEZINSKI
		BUTLER
		CARP
X		H. CARTER
		CLOUGH
		FALLOWS
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		GAMMILL
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		HUTCHESON
		JAGODA
		KING
		KRAFT
		LANCE
		LINDER
		MITCHELL
		POSTON
		PRESS
		B. RAINWATER
		SCHLESINGER
		SCHNEIDERS
X		SCHULTZE
		SIEGEL
		SMITH
		WELLS
		VOORDE



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

MAR 18 1977

MEMORANDUM FOR THE PRESIDENT

FROM: BERT LANCE

*BL*

SUBJECT: The Overtime/Employment Limit Relationship

Your recent note asked:

What rules on overtime should be established to prevent circumvention of employment limits in government?

The use of overtime is limited by the funds available to pay salaries and expenses. Currently, estimates for overtime do not include increases over amounts for the preceding year, except for extension of the regular workweek that must be specifically and fully justified. Overtime is required to be estimated as accurately as possible, even though additional costs (other than extension of the regular workweek) must be absorbed. In this sense, therefore, planned increases in the use of overtime would be identified and could be controlled under the existing system.

Further limits could be placed on the use of overtime by requiring that all estimates of overtime be specifically and fully justified in the future even though they do not exceed the amounts for the preceding year. The difficulty with this approach is that it would be extremely difficult to enforce. Unless a special new reporting system were instituted, violations of the limits would not be identified until months after the fact.

Alternatively, Cabinet officers could be asked to devise overtime rules appropriately suited to their own operations. A requirement that this be done could be established when agencies are notified of their new employment ceilings. We recommend this approach.

- \_\_\_\_\_ Establish controls and reports on overtime.
- \_\_\_\_\_ Instruct Cabinet officers to establish rules.
- \_\_\_\_\_ Allow Cabinet officers to decide if rules are needed.



Date: March 18, 1977

## MEMORANDUM

## FOR ACTION:

The Vice President  
Stu Eizenstat  
Jack Watson  
Hugh Carter  
Richard Harden

## FOR INFORMATION:

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Bert Lance memo 3/18/77 re The Overtime/  
Employment Limit Relationship.

YOUR RESPONSE MUST BE DELIVERED  
TO THE STAFF SECRETARY BY:

TIME: 4:00 P.M.

DAY: Monday

DATE: March 21, 1977

## ACTION REQUESTED:

☒ Your comments

Other:

## STAFF RESPONSE:

☒ I concur.

☐ No comment.

Please note other comments below:

*Suggest cabinet officers turn in rules to OMB  
and that an overtime report be submitted  
to OMB monthly.*

*Hugh Carter  
3/21/77*

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)



Date: March 18, 1977

MEMORANDUM

FOR ACTION:

The Vice President  
Stu Eizenstat  
Jack Watson  
Hugh Carter  
Richard Harden  
Charlie Schultze ✓

FOR INFORMATION:

*logged 3/18*  
*routed to PS*

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Bert Lance memo 3/18/77 re The Overtime/  
Employment Limit Relationship.

YOUR RESPONSE MUST BE DELIVERED  
TO THE STAFF SECRETARY BY:

TIME: 4:00 P.M.

DAY: Monday

DATE: March 21, 1977

ACTION REQUESTED:

☒ Your comments

Other:

STAFF RESPONSE:

☒ I concur.

☐ No comment.

Please note other comments below:

*To Rick Hutcheson*

We concur with OMB's recommendation in this matter.

*[Signature]*

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)



Date: March 18, 1977

MEMORANDUM

3/18  
6:15 pm

FOR ACTION:

The Vice President  
Stu Eizenstat  
Jack Watson  
Hugh Carter  
Richard Harden ✓

FOR INFORMATION:

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Bert Lance memo 3/18/77 re The Overtime/  
Employment Limit Relationship.

YOUR RESPONSE MUST BE DELIVERED  
TO THE STAFF SECRETARY BY:

TIME: 4:00 P.M.

DAY: Monday

DATE: March 21, 1977

ACTION REQUESTED:

☒ Your comments

Other:

STAFF RESPONSE:

☐ I concur.

☐ No comment.

Please note other comments below:

Based upon my brief experience with the Federal  
government, there appears to be a number of ways  
to circumvent a limitation <sup>on</sup> the number of employees  
an agency has. I would suggest a single page  
summary sheet showing total manhours and total ~~cost~~  
cost by category of employment.

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required  
material, please telephone the Staff Secretary immediately. (Telephone, 7052)



THE WHITE HOUSE  
WASHINGTON

March 21, 1977

Frank Moore -

The attached was returned in  
the President's outbox. It is  
forwarded to you for appropriate  
handling.

Rick Hutcheson

cc: Jack Watson

Re: Berlin, New Hampshire  
Public Works Problem

*read memo  
4/1/77*



THE WHITE HOUSE  
WASHINGTON

ACTION	FYI	
		MONDALE
		COSTANZA
		EIZENSTAT
		JORDAN
		LIPSHUTZ
	✓	MOORE
		POWELL
	✓	WATSON

	FOR STAFFING
	FOR INFORMATION
✓	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

	ENROLLED BILL
	AGENCY BILL
	Staffing comments should go to Bert Carp within 48 hours; due from Carp to Staff Secretary next day.

	CAB DECISION
	EXECUTIVE ORDER
	Staffing comments should go to Doug Huron within 48 hours; due from Huron to Staff Secretary next day.

ACTION	FYI	
		ARAGON
		BOURNE
		BRZEZINSKI
		BUTLER
		CARP
		H. CARTER
		CLOUGH
		FALLOWS
		FIRST LADY
		GAMMILL
		HARDEN
		HOYT
		HUTCHESON
		JAGODA
		KING
		KRAFT
		LANCE
		LINDER
		MITCHELL
		POSTON
		PRESS
		B. RAINWATER
		SCHLESINGER
		SCHNEIDERS
		SCHULTZE
		SIEGEL
		SMITH
		WELLS
		VOORDE

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

March 18, 1977

*Let Juanita  
write me on  
option #1 - II/  
forward it to  
Durkin  
J*

MEMORANDUM TO THE PRESIDENT

FROM:

FRANK MOORE *F.M.*

In your telephone conversation with Senator Durkin on Wednesday, he stressed to you the importance of the \$1.2 million EDA funds coming out of the "set aside." It is my understanding from Commerce that the only way the project could qualify for "set aside" is for the Agency to admit error in processing.

If you select Juanita Kreps' option #1, Berlin will be funded but the money will come out of the \$30 million allocated to the state of New Hampshire. If you select option #2, \$1.2 million will be on top of the \$30 million allocated to other New Hampshire cities. Juanita does not want the Agency to admit error even though it was by the previous administration.

I would urge against you writing Senator Durkin and assuring him funding for the project because of any suspected linkage between this funding and Senate approval of Commerce nominees, or something else could possibly turn up to delay funding. Durkin is erratic and I would not want him waving a letter around with your signature on it.

We have the following options: Either Secretary Kreps or I could write a letter to Senator Durkin assuring funding. Or, either Vice President Mondale or I could call Senator Durkin and assure him of funding but not out of set-aside money.

If Senator Durkin does not behave properly in this matter, I believe Senator Byrd would be willing to call up the names for a vote in the Senate, and it would pass overwhelmingly.

Attachments

**Electrostatic Copy Made  
for Preservation Purposes**

THE SECRETARY OF COMMERCE

WASHINGTON, D.C. 20230

March 16, 1977

Dear Mr. President:

The Department of Commerce has two options for resolving the Berlin, New Hampshire local public works problem.

1. I can assure Senator Durkin that the Berlin, New Hampshire, local public works application will be selected for funding in the next round. Even if the Public Works bill now awaiting conference action allows additional applications to be considered in New Hampshire, I can assure Senator Durkin that Berlin will be selected for funding.
2. I can guarantee Senator Durkin that the Berlin, New Hampshire, local public works project will be selected for funding in the next round. If the project is not selected on merit it will be financed out of a special fund set aside to cover projects which were not funded because of Agency error. The only possible advantage for New Hampshire under this option is that if, in the unlikely event that the funds (\$1.2 million) come from the set-aside, they will not be counted against New Hampshire's \$30 million allocation.

Mr. President, I encourage you to give Senator Durkin the first option for the following reasons.



Berlin erred in their initial application. EDA was under no obligation other than to notify them of the error. Attempting to be helpful, the staff representative suggested only the simplest of many possible remedies; the project was ultimately denied. Using another approach in the application would have led to funding. EDA was under no obligation to give advice on correcting the application. Therefore, the omission did not represent an EDA error.

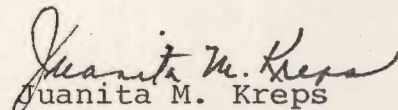
Last year there were 25,000 applications for local public works funds from State and local governments. Only 2,000 were funded. To admit error in the Berlin case will result in many other similar claims from among the disappointed applicants.

The Berlin incident occurred under the previous Administration. Your nominees who are being held from confirmation were not in office at that time.

This Department's conversations with staff for Senator McIntyre, who is jointly holding your nominees, indicate that they find option #1 acceptable. We are confident that the nominees would be confirmed overwhelmingly if the issue were brought to a vote.

A bad precedent would be set if a Senator succeeds in blocking confirmation in order to resolve dubious constituent grievances.

Respectfully yours,

  
Juanita M. Kreps

The President  
The White House  
Washington, D. C. 20500

Durkin telephone interview

WMOD - Berlin, N.H.

Wednesday, March 16,

4:00 p.m.

I am very pleased you know on Tuesday I wrote to the President asking him to provide \$1.2 million for the city of Berlin for the Waste Water Treatment Facility. There was some confusion growing out of a phone call back in December. The President called me this afternoon, and I am quoting him now. The city of Berlin will get the money and had he been President in December there wouldn't have been a problem or any confusion in the first place because he has a very warm and strong and concerned feeling for the people of Berlin and wanted me to express his gratitude to the people of Berlin for what they did for him and he wanted to assure the people of Berlin through me in a telephone call to Berlin they will get the money and that with the \$14 million from the EPA will allow that project to go through on schedule.

Q. It won't cost the city a cent then?

Well, there is still some share that the city and the state commits, but the \$1.2 million will be picked up by the Economic Development Administration out of the funds provided and that share will save the people of Berlin a lot of money on the property tax because to keep the EPA money to be withdrawn the city of Berlin will have a chance to pay for not out of the property tax or out of the user tax to make up the \$1.2 million. So the President's call really saved the taxpayers of Berlin \$1.2 million this afternoon, and I am very pleased that the President responded to my letter so fast. He wanted me to let them know that he feels very strongly and has a deep concern for Berlin.

A. I understand the Washington Post carried an article about this and highlighted Berlin as really fighting hard to straighten out some bureaucratic mistake.

Well, in fact Tom McIntyre and I have got the man who was going to take over the EDA job had been confirmed by the Senate but before the White House was notified of the confirmation it was recalled by the Senate. Also, one of the Assistant Secretaries of Commerce--I was able to get his nomination postponed because I don't think they treated the city of Berlin fairly.



unsub kept.  
Sent Apr  
F. 1977

## THE WHITE HOUSE

WASHINGTON

March 14, 1977



MEMORANDUM FOR:

FRANK MOORE

FROM:

DAN TATE *DT*

SUBJECT:

SENATOR JOHN DURKIN'S "HOLD" ON  
COMMERCE DEPARTMENT NOMINATIONS  
IN THE SENATE

Senate Durkin is holding at least one Commerce Department nomination (Bob Hall to be Assistant Secretary for Economic Development -- the head of EDA) because he wants to receive what he considers to be "justice" on a Local Public Works project that was denied to Berlin, N.H. last year.

Durkin says that at one stage of the application process, the Regional EDA Officer told the Berlin applicant that the project would be denied because it contained improper data, but that reapplication could be made using a particular method. In fact, the reapplication could have been made in one of two ways and, had the applicant used the second option, the grant would have been approved.

Durkin claims it was EDA's responsibility to inform the applicant accurately. EDA claims that the Regional Officer was under no legal obligation to tell the applicant about any method of reapplication. EDA was only obligated to advise Berlin of the error.

EDA has assured Durkin that the Berlin project will be funded in the coming year (this assumes that no new competing applications will be submitted -- as will undoubtedly be the case.)

The other N.H. Senator, Tom McIntyre, says his "hold" is contingent upon the full assurance of funding for Berlin this year. Durkin apparently wants that and some kind of public apology. EDA claims that a public admission of fault, if EDA were at fault, in this case will bring on hundreds of similar claims.

United States Senate

WASHINGTON, D.C. 20510

March 14, 1977

President Jimmy Carter  
The White House  
Washington, DC

*ack-FM/SE*  
*15 MAR 1977*

Dear Mr. President:

I am writing in regard to the application of the City of Berlin, New Hampshire, for \$1.2 million in Local Public Works Capital Development and Investment Act of 1976 funds to be used in the construction of a federally-mandated \$21 million wastewater treatment facility. Because of confusion surrounding the required data in support of the application, the Economic Development Administration has declined to fund this application from 1976 monies, leaving the entire project to fail, or to be supported by Berlin's overly-extended tax base, which is already being asked to fund approximately \$700,000 of the project and can scarcely be expected to advance another \$1.2 million.

The confusion concerning the reporting requirements followed careful consultation with the EDA by Berlin officials and adherence to the Federal Regulations governing the program. It resulted in Berlin submitting unemployment figures less favorable to its application than should have been reported.

Berlin submitted its application on December 3, 1976, using unemployment figures for Berlin and the contiguous communities in Maine as authorized and contemplated by Public Law 94-369. The Berlin unemployment figures covered the period July to September, 1976. The unemployment for the contiguous Maine communities covered the period June to August, 1976, because the state of Maine adheres to a different procedure.

The dispute between Berlin and the EDA involves a telephone conversation of December 6, 1976, when the New Hampshire-Vermont EDA office told a Berlin city official that its application in its present form was not



President Jimmy Carter  
Page Two  
March 14, 1977

acceptable because of the different reporting periods for the unemployment data. As a result of that telephone conversation, Berlin believed it was presented with only two options: (1) do not change the application, in which case it would be denied for using differing reporting periods, or (2) change the application by removing the Maine unemployment figures, use Berlin figures only, and allow the application to be ranked against other New Hampshire applications, many of which used out of state contiguous communities as part of their project areas. Berlin officials chose the better of the only two options they thought they had, the second one.

The EDA claims that a third option was presented to the Berlin city officials during that phone conversation, namely, to resubmit unemployment figures utilizing the same reporting periods for Berlin and the contiguous Maine communities (i.e. June to August, 1976). Logic argues that if the EDA had clearly presented this option, Berlin would have enthusiastically pursued it because the June to August Berlin unemployment figures were worse than the July to September, 1976, figures. Utilization of the June to August Berlin figures would have virtually assured funding of the application from 1976 funds.

Mr. Robert Hall, Assistant Secretary for Economic Development-designate, and the EDA officials who have been in contact with my staff concede the confusion surrounding the December 6 telephone conversation, but have not as yet acknowledged that the extraordinary nature of this confusion marks it as unique among such applications, requiring that -- in all fairness -- the Berlin application should be reconsidered in the context of first round funding.

A careful look at the proposal offered by EDA officials -- reconsideration of Berlin's application in the next round of public works funding in late spring -- points to several difficulties which argue compellingly for reconsideration of Berlin's application in the first round of funding.

First, the EDA and the Berlin city officials have conceded that there are numerous potential legal problems with respect to Berlin being eligible to utilize second



President Jimmy Carter  
Page Three  
March 14, 1977

round funding. On March 7, EPA offered almost \$15 million to Berlin as partial funding. Berlin now has until March 28 to either accept or reject the offer. If the offer is accepted, Berlin must somehow come up with the \$1.2 million which Berlin had expected EDA to provide. That in itself is an unlikely prospect. But even if Berlin could find temporary financing for the \$1.2 million, acting on EDA assurances that Berlin will be included in the second round of funding, there are still a great many legal problems that may prevent Berlin from accepting such second round funding.

Secondly, there is no guarantee that Berlin will rank sufficiently high in the second round competition, though admittedly the odds are high it will.

And finally, if all the obstacles can be overcome and Berlin qualifies for second round funding, it would be unfair to deny funding to other meritorious New Hampshire projects because of the confusion surrounding this dispute. The Congressional intent is quite clear that the set aside funds which are in both the House and Senate bills presently being considered are designed to be utilized in precisely such situations as this in order to prevent communities which may qualify in a second round project being penalized because of first round difficulties. We are not asking for an extra or undeserved \$1.2 million for Berlin or the State of New Hampshire. We are asking that neither Berlin nor any other meritorious project in New Hampshire which would otherwise qualify for second round funding be penalized because of the confusion arising out of the December 6th telephone call. Congress specifically intended that such situations be avoided by providing set aside funding for such purposes.

Realizing the many national matters crowding your attention and realizing your extremely busy schedule, I bring the problems of Berlin, New Hampshire, to your personal attention only because of my deep personal commitment to the people of Berlin and my fear that an injustice will frustrate this much needed project in Berlin.

The citizens of Berlin and New Hampshire's North Country have long suffered the highest unemployment rates



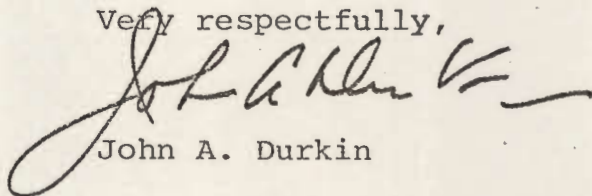
President Jimmy Carter  
Page Four  
March 14, 1977

in this State. But more unsettling, they have also long suffered because it has been customary for state and federal officials to ignore them except during political campaigns.

As much as I want to see Berlin not penalized for the "confusion" surrounding their application and the supporting data, I sincerely hope that the people of Berlin and New Hampshire's North Country will receive from our federal government the consideration which they have begun to expect.

In light of the above, Mr. President, I respectfully request that Berlin receive a letter of intent from EDA that the city will receive \$1.2 million for its project from the "set-aside funds" in the new public works bill as soon as such becomes available.

Very respectfully,

A handwritten signature in dark ink, appearing to read "John A. Durkin", with a stylized flourish at the end.

John A. Durkin

JAD/jam

THE WHITE HOUSE  
WASHINGTON

March 21, 1977

Jack Watson

The attached memorandum  
has been signed by the President  
and given to Bob Linder for  
distribution.

Rick Hutcheson

Re: Working Policy Group on  
Urban and Regional  
Development

cc: Stu Eizenstat  
Bob Linder

*Handwritten:*  
Linder  
3/21/77



THE WHITE HOUSE  
WASHINGTON

ACTION	FYI
	MONDALE
	COSTANZA
	EIZENSTAT
	JORDAN
	LIPSHUTZ
	MOORE
	POWELL
	X WATSON

	FOR STAFFING
	FOR INFORMATION
X	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

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	AGENCY BILL
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	EXECUTIVE ORDER
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ACTION	FYI
	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
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	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	GAMMILL
	HARDEN
	HOYT
	HUTCHESON
	JAGODA
	KING
	KRAFT
	LANCE
	LINDER
	MITCHELL
	POSTON
	PRESS
	B. RAINWATER
	SCHLESINGER
	SCHNEIDERS
	SCHULTZE
	SIEGEL
	SMITH
	WELLS
	VOORDE

THE WHITE HOUSE

WASHINGTON

March 16, 1977

MEMORANDUM TO: THE PRESIDENT  
FROM: Jack Watson  
RE: WORKING POLICY GROUP ON  
URBAN AND REGIONAL DEVELOPMENT

I respectfully suggest that you send the attached, in order to energize the above-captioned group. Pat Harris would appreciate your underscoring her legal authority to convene it.

Respectfully,

*Jack*

Attachment



THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR

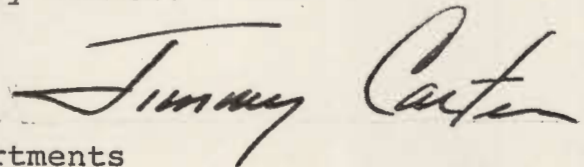
THE SECRETARY OF TREASURY  
THE SECRETARY OF COMMERCE  
THE SECRETARY OF LABOR  
THE SECRETARY OF HEALTH, EDUCATION AND WELFARE  
THE SECRETARY OF HOUSING AND URBAN DEVELOPMENT  
THE SECRETARY OF TRANSPORTATION

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I would like you to form a working policy group on urban and regional development. The purpose of the group will be to conduct a comprehensive review of all federal programs which impact on urban and regional areas; to seek perspectives of state and local officials concerning the role of the federal government in urban and regional development; and to submit appropriate administrative and legislative recommendations.

Under Executive Order 11297, Pat Harris has the responsibility to convene such a group and will do so shortly. I want to emphasize that development of an urban and regional policy should be a joint project with full participation by each of your departments, as well as from other federal agencies where appropriate. This is a high priority for my Administration, and I have asked Jack Watson and Stu Eizenstat to facilitate and support your collective efforts in every way possible.

I look forward to receiving a preliminary report on your progress and findings by early summer.



cc: Heads of Executive Departments  
and Agencies

THE WHITE HOUSE  
WASHINGTON

Date: March 16, 1977

MEMORANDUM

FOR ACTION:

The Vice President  
Stu Eizenstat

FOR INFORMATION: Hamilton Jordan  
Bob Lipshutz  
Bob Linder

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Jack Watson memo 3/16 re Working Policy on  
Urban and Regional Development.

YOUR RESPONSE MUST BE DELIVERED  
TO THE STAFF SECRETARY BY:

TIME: 5:00 P.M.

DAY: Friday

DATE: March 18, 1977

ACTION REQUESTED:

☒ Your comments

Other:

STAFF RESPONSE:

☐ I concur.

☐ No comment.

*Please note other comments below:*

**PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.**

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)



THE WHITE HOUSE

WASHINGTON

March 18, 1977

MEMORANDUM FOR: THE PRESIDENT  
FROM: STU EIZENSTAT *Stu*  
SUBJECT: Urban Development Working Group

I recommend that you send the attached letter, adding one sentence after the last paragraph:

"I look forward to receiving a preliminary report on your progress and findings by early summer."

This would permit you the option of announcing this summer major urban development initiatives with proposals for next year's legislative program.

Jack Watson concurs with the above.

*Bob Linder -  
Please have the  
attached retyped as  
amended by Stu -  
Bob*

THE WHITE HOUSE

WASHINGTON

March 16, 1977

MEMORANDUM FOR

② THE SECRETARY OF COMMERCE  
① THE SECRETARY OF HEALTH, EDUCATION AND WELFARE  
② THE SECRETARY OF HOUSING AND URBAN DEVELOPMENT  
③ THE SECRETARY OF LABOR  
④ THE SECRETARY OF TRANSPORTATION  
① THE SECRETARY OF TREASURY

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and Agencies



THE WHITE HOUSE  
WASHINGTON

March 16, 1977

MEMORANDUM TO: THE PRESIDENT  
FROM: Jack Watson  
RE: WORKING POLICY GROUP ON  
URBAN AND REGIONAL DEVELOPMENT

I respectfully suggest that you send the attached, in order to energize the above-captioned group. Pat Harris would appreciate your underscoring her legal authority to convene it.

Respectfully,

*Jack*

Attachment

THE WHITE HOUSE

WASHINGTON

March 16, 1977

MEMORANDUM FOR

THE SECRETARY OF COMMERCE  
THE SECRETARY OF HEALTH, EDUCATION AND WELFARE  
THE SECRETARY OF HOUSING AND URBAN DEVELOPMENT  
THE SECRETARY OF LABOR  
THE SECRETARY OF TRANSPORTATION  
THE SECRETARY OF TREASURY

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and Agencies



Date: March 16, 1977

## MEMORANDUM

## FOR ACTION:

The Vice President  
Stu Eizenstat ✓

## FOR INFORMATION:

196 Hamilton Jordan  
Bob Lipshutz  
Bob Linder

*RC Camp  
Kaplan*

FROM: Rick Hutcheson, Staff Secretary

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## ACTION REQUESTED:

☒ Your comments

Other:

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☐ No comment.

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THE WHITE HOUSE

WASHINGTON

March 16, 1977

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THE SECRETARY OF HEALTH, EDUCATION AND WELFARE  
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cc: Heads of Executive Departments  
and Agencies

*insert Jan. 22 prelim report  
back by -  
check w/ Vesp / Ham*

THE WHITE HOUSE  
WASHINGTON

ACTION	FYI	
X		MONDALE
		COSTANZA
X		EIZENSTAT
	X	JORDAN
	X	LIPSHUTZ
		MOORE
		POWELL
		WATSON

X	FOR STAFFING
	FOR INFORMATION
	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

	ENROLLED BILL
	AGENCY BILL
	Staffing comments should go to Bert Carp within 48 hours; due from Carp to Staff Secretary next day.

	CAB DECISION
	EXECUTIVE ORDER
	Staffing comments should go to Doug Huron within 48 hours; due from Huron to Staff Secretary next day.

ACTION	FYI	
		ARAGON
		BOURNE
		BRZEZINSKI
		BUTLER
		CARP
		H. CARTER
		CLOUGH
		FALLOWS
		FIRST LADY
		GAMMILL
		HARDEN
		HOYT
		HUTCHESON
		JAGODA
		KING
		KRAFT
		LANCE
		LINDER
		MITCHELL
		POSTON
		PRESS
		B. RAINWATER
		SCHLESINGER
		SCHNEIDERS
		SCHULTZE
		SIEGEL
		SMITH
		WELLS
		VOORDE



Date: March 16, 1977

MEMORANDUM

FOR ACTION:

The Vice President  
Stu Eizenstat

FOR INFORMATION: Hamilton Jordan  
Bob Lipshutz ✓  
Bob Linder

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ACTION REQUESTED:

☒ Your comments

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STAFF RESPONSE:

☒ I concur.

☐ No comment.

Please note other comments below:

AS

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

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THE WHITE HOUSE  
WASHINGTON

March 21, 1977

Bob Lipshutz -

The attached was returned in  
the President's outbox. It is  
forwarded to you for appropriate  
handling.

Rick Hutcheson

Re: Property in Plains



THE WHITE HOUSE  
WASHINGTON

ACTION	FYI	
		MONDALE
		COSTANZA
		EIZENSTAT
		JORDAN
	X	LIPSHUTZ
		MOORE
		POWELL
		WATSON

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		SCHNEIDERS
		SCHULTZE
		SIEGEL
		SMITH
		WELLS
		VOORDE

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

March 19, 1977

MEMORANDUM TO THE PRESIDENT

FROM: Bob Lipshutz

SUBJECT: Property in Plains

Pursuant to your request, I again have met with the Secret Service personnel, who are moving forward with the plan which you have set out.

I will keep you advised of their progress.

Although this plan does not depend upon it, it apparently would be helpful to have Billy Carter exchange some of his farm land for the Homer Harris lot adjacent to your home. I am asking Charles Kirbo to pursue this matter with Billy.

*Good  
J*

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for Preservation Purposes



THE WHITE HOUSE  
SIGNATURE MUST BE SECURED

TO: DATE. 3/21/77  
The Honorable W. Michael Blumanthal NUMBER .....  
Secretary of the Treasury TIME REC'D 5:40  
Washington, D.C. 20220  
RECEIVED BY *L. Blumanthal* .....  
DELIVERED BY .....  
RETURN RECEIPT ROOM ~~54 IN O.E.O.B.~~  
RICK HUTCHESON

THE WHITE HOUSE  
WASHINGTON

March 21, 1977

Secretary Blumenthal

Re: Sunset Laws and "Tax Expenditures"

The attached was returned in the President's  
outbox and is forwarded to you for appropriate  
action.

Rick Hutcheson

cc: Stu Eizenstat  
Bert Lance  
Jack Watson



THE WHITE HOUSE  
WASHINGTON

ACTION	FYI	
		MONDALE
		COSTANZA
	X	EIZENSTAT
		JORDAN
		LIPSHUTZ
		MOORE
		POWELL
	X	WATSON

cc  
D/monenthal

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	FOR INFORMATION
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		SCHNEIDERS
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		SMITH
		WELLS
		VOORDE

---

THE WHITE HOUSE  
WASHINGTON

Mr. President:

Stu is opposed to Secretary Blumenthal's proposal to exempt tax laws from Sunset treatment, for the reasons mentioned in the Lance-Eizenstat memo which you already have.

Rick



THE SECRETARY OF THE TREASURY  
WASHINGTON 20220

March 19, 1977

*See memo  
on "Sunset" bill  
J*

MEMORANDUM TO THE PRESIDENT

377 MAY 1 1977

SUBJECT: Sunset Laws and "Tax Expenditures"

In connection with our testimony on Sunset laws, I wish to call your attention as strongly as I can to the serious disruptions that would be caused by including so-called "tax expenditures" in the automatic termination requirement of the Muskie bill.

(1) Tax laws are expenditure programs only in a very technical sense. The public views tax laws as expenditures no more than it does the criminal code. To the contrary, when previous limited efforts were made to set automatic expiration dates for tax expenditures (which are really tax exemptions of certain kinds) the general reaction was strongly hostile.

(2) Most "tax expenditures" cover broad ranges of activity. For example, capital gains provisions affect timber, patents, real estate, stock investment and agriculture. Planning in each of these areas is based on cycles as long as years and often decades. The sheer number of constituencies that would be affected by each expenditure's expiration would (1) make it difficult to fit the expenditure into one of the packages of expiring legislation envisaged by S.2 and (2) greatly complicate the political problem every time one did approach expiration.

(3) Many "tax expenditures" are merely tax rulings and not acts of Congress, (for example, that Social Security income is tax exempt, or that charitable contributions are deductible). The proposed Sunset legislation would require Congress to translate from tax rulings into highly unpopular pieces of legislation such laws as the tax exempt status of Social Security income, or the deductibility of charitable contributions. The legislation would be unpopular because it would have to include an expiration date. Congress will never do this.

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(4) The tax code simply does not lend itself to periodic expiration dates. Transition rules would have to be complex and contingency packages of tax rulings prepared for each automatic repeal provision. For example, the expirations of the exemption for mortgage bonds would raise numerous questions of the taxability of interest obligated for but not received before the expiration date of the exemption, and a set of tax rulings would have to be prepared on a contingency basis for each significant tax expenditure that might be repealed. The added regulatory volume would be enormous.

(5) In our judgment, your commitment to submit fundamental tax reform to the Congress later this year is incompatible with the kind of piecemeal review of the tax laws that would result from periodic expirations of key tax provisions.

(6) Senator Long and Chairman Ullman are both strongly opposed to the inclusion of tax expenditures in the Sunset legislation. Senator Long is particularly vehement. Both might be willing to support the idea of periodic reviews but neither would countenance automatic expiration dates. Making such a proposal, even though they know we are aware it has no chance of passage would greatly annoy them and considerably complicate our cooperation with them on other matters.

In summary, (1) "tax expenditures" are only expenditures in a very technical sense; (2) the complications caused by inclusion of automatic expiration dates would in many instances be mind-boggling; (3) our whole effort for comprehensive tax reform would be endangered; (4) Senator Long and Chairman Ullman would be infuriated; and (5) there is no hope for success in any case.

Therefore, I recommend strongly that we do not make such a proposal. Instead, I do recommend, as an alternative, that we urge periodic review of tax expenditures, citing the technical impossibility of applying the Sunset approach to the tax code.

Mike

W. Michael Blumenthal



THE WHITE HOUSE  
WASHINGTON

March 21, 1977

Secretary Blumenthal

Re: Sunset Laws and "Tax Expenditures"

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Rick Hutcheson

cc: Stu Eizenstat  
Bert Lance  
Jack Watson



THE SECRETARY OF THE TREASURY  
WASHINGTON 20220

March 19, 1977

ACTION  
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on "Sunset" bill  
J

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W. Michael Blumenthal

THE WHITE HOUSE  
WASHINGTON

March 21, 1977

The Vice President  
Secretary Blumenthal  
Stu Eizenstat  
Bob Lipshutz  
Frank Moore  
Jody Powell  
Jack Watson  
Bert Lance

Re: Sunset Laws

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outbox and is forwarded to you for appropriate  
action.

Rick Hutcheson

cc: Ham Jordan



THE WHITE HOUSE  
WASHINGTON

ACTION	FYI	
X		MONDALE
		COSTANZA
X		EIZENSTAT
X		JORDAN
X		LIPSHUTZ
X		MOORE
X		POWELL
X		WATSON

*include  
McKenna  
comments  
cc  
Blumenthal*

	FOR STAFFING
	FOR INFORMATION
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		SCHLESINGER
		SCHNEIDERS
		SCHULTZE
		SIEGEL
		SMITH
		WELLS
		VOORDE

THE WHITE HOUSE  
WASHINGTON

Mr. President:

Reservations to the attached from  
Margaret McKenna of Lipshutz' office:

"I am concerned that endorsing the legislation, but with qualifications, will end up equaling an endorsement. I am not certain where agencies will come out on this matter since they have not been consulted. I am also concerned that we have dealt only with Sen. Muskie. I think we should touch base with the Majority Leader and a couple of key Chairmen before getting in too deep.

Therefore I suggest keeping some distance from S.2 and clearly articulate our reservations and work with the Hill staff early to make needed changes."

No other comments were received from staff.

Rick



THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

*Stu J*

MEMORANDUM FOR:

THE PRESIDENT

FROM:

*Stu*  
STU EIZENSTAT AND BERT LANCE

*Jim M.*

SUBJECT:

Sunset Laws

Four Departments (DOD, Treasury, Labor, and HEW) and OMB have been asked to testify at hearings chaired by Senator Muskie on Sunset laws March 22-23. Stu Eizenstat has met with Senator Chiles and his staff and Senator Muskie and his staff on this issue. This memorandum requests your guidance on the Administration's position.

As you know, the Sunset concept requires periodic review of Federal programs, with automatic termination of those that are not reenacted by Congress. Senator Muskie is supporting a bill (S.2) which would mandate broad Sunset with the first reviews due in September 1979. The only programs excluded would be interest on the public debt and major trust funds, such as Medicare and Social Security. Senators Percy, Byrd, and Ribicoff have a bill (S.600) which would cover only regulatory agencies.

Muskie's bill has 53 Senate co-sponsors and will be the focus of the hearing. It is more flexible than last year's bill. The key concepts are (1) that programs will be reviewed in functional groups (e.g., housing subsidies will be reviewed with tax provisions affecting housing), and (2) that each group will be subject to "Sunset" once every five years. Only the authorization to appropriate money expires at the end of the review period--not the substantive legislation.

Muskie's comprehensive approach has problems:

- 1) Sunset may complicate our Zero Base Budgeting (ZBB) by inducing Congress to reject our recommendations for budget changes until its Sunset reviews take place.
- 2) Sunset could lead to similar delays in Congress on our reorganization proposals.
- 3) Sunset could be used by Congressional minorities or committee chairmen to kill politically weak but desirable programs by holding up reenactment.
- 4) Sunset could reduce the Congress' ability to pass substantive legislation by tying it up with large numbers of program reviews.

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for Preservation Purposes**

- 5) Some powerful Congressmen oppose across-the-board Sunset. (e.g., Stennis wants Defense excluded and Long wants tax expenditures excluded.)

However, we feel you should support Muskie's approach for these reasons:

- 1) Sunset represents a major commitment to Congressional review of Federal programs and could help make the Government more efficient.
- 2) You supported the Sunset concept during and after the campaign.
- 3) Sunset is essentially a way for Congress to reorganize its budget oversight responsibilities, and it is hard for the Executive Branch to oppose that. We can hardly argue against the Congress giving the same scrutiny to these programs through its Sunset procedures as the Executive Branch will be doing through ZBB.
- 4) Senator Muskie, who is a senior member of the Government Operations Committee, expects your support, while the opponents of Sunset do not expect you to side with them.
- 5) Sunset has broad popular support across ideological lines.

#### OPTIONS

- 1) Support across-the-board Sunset and the general concept of the Muskie Bill.
- 2) Support broad Sunset review but request the exclusion of programs that are indisputably necessary (e.g., State's diplomatic functions, the Internal Revenue Service.) This would reduce the burden of Sunset but complicate the effort to review related programs across agency lines.
- 3) Support Sunset review of several specified functions as an experiment. (e.g., transportation, welfare, housing, environment.)
- 4) Support only Sunset review of the regulatory agencies. (i.e. endorse Percy-Byrd-Ribicoff or a variant.)

#### RECOMMENDATION

We suggest that you support Option #1 and encourage Cabinet Members to suggest adjustments to minimize the problems and improve the process, such as:

- a) revise the order by which functions will be reviewed to reflect Administration priorities (e.g., welfare should be considered next year to coincide with our legislative proposals in this area.)



b) propose criteria for the reviews

NOTE: Senator Muskie is open to changes of this sort as long as we support the general concept.

ACTION

Support recommended Option #1 ✓.

Support another Option \_\_\_\_\_.

ADDITIONAL ISSUES IF YOU SUPPORT THE MUSKIE CONCEPT

- 1) The Muskie Bill mandates a new Hoover Commission to study government reorganization. Lance wants to oppose this because it would delay your reorganization initiatives and because you have already designated OMB to do this job. Eizenstat agrees.

Agree ✓

Disapprove \_\_\_\_\_

- 2) The Bill contains a requirement that all agency budget submissions to OMB go to Congress immediately after you submit your budget. (At present, appropriations committees can get such information on request.) Lance wants to oppose this because it would focus attention on the budget disputes within the Administration and discourage frank communication between OMB and the agencies during the budget process. Eizenstat agrees.

Agree ✓

Disapprove \_\_\_\_\_

- 3) Secretary Blumenthal wants to testify that tax expenditures should be excluded from the automatic termination requirement of the Muskie Bill. (His memo is attached.) He strongly supports periodic review of such provisions, but he recommends that the Administration oppose automatic termination because:

a) This requirement is so controversial that retaining it could kill the entire bill.

b) Personal and business decision-making would be complicated by uncertainty as to the future of tax benefits.

c) Ending tax expenditures is far more complicated than ending the authorization for programs because:

--they frequently have a scope broader than the set of functions reviewed each year;

--unlike program authorizations, substantive legislation would be needed to eliminate many of them; and

--automatic termination would require complex transition rules which would have to be written into the Sunset Bill. (E.g., elimination of the home mortgage interest deduction should not apply to people who depended on the deduction when they bought their homes.) This could kill the Bill by bogging it down in a complex tax debate.

We disagree for these reasons:

- a) If the Administration were to support special treatment for tax provisions, it would look like an abandonment of your commitment to tax reform. How can we support automatic termination of welfare and oppose it for tax benefits?
- b) No one thinks that the Sunset Bill will actually terminate many programs each year. Rather, the automatic termination provision is a prod to force serious review of programs. It is particularly important to apply that prod to tax expenditures--and the tax writing committees--because tax provisions historically have been subject to less careful review than most other programs.
- c) Most of Treasury's concerns also apply to the other kinds of programs covered by Sunset. Thus termination of welfare benefits would arouse public emotions and would require complex transition rules. The Sunset Bill itself need not spell out such rules; they can be enacted if and when a program is actually terminated.
- d) The Finance Committee may get the tax provision stricken from the Bill, but there is no need for us to get involved in that fight.

We urge you not to oppose inclusion of tax expenditures in the Bill.

Agree \_\_\_\_\_

Disapprove \_\_\_\_\_



THE WHITE HOUSE  
WASHINGTON

Mr. President:

Reservations to the attached from  
Margaret McKenna of Lipshutz' office:

"I am concerned that endorsing the legislation, but with qualifications, will end up equaling an endorsement. I am not certain where agencies will come out on this matter since they have not been consulted. I am also concerned that we have dealt only with Sen. Muskie. I think we should touch base with the Majority Leader and a couple of key Chairmen before getting in too deep.

Therefore I suggest keeping some distance from S.2 and clearly articulate our reservations and work with the Hill staff early to make needed changes."

No other comments were received from staff.

Rick

THE WHITE HOUSE  
WASHINGTON

MEMORANDUM FOR:

THE PRESIDENT

FROM:

STU EIZENSTAT AND BERT LANCE

SUBJECT:

Sunset Laws

Four Departments (DOD, Treasury, Labor, and HEW) and OMB have been asked to testify at hearings chaired by Senator Muskie on Sunset laws March 22-23. Stu Eizenstat has met with Senator Chiles and his staff and Senator Muskie and his staff on this issue. This memorandum requests your guidance on the Administration's position.

As you know, the Sunset concept requires periodic review of Federal programs, with automatic termination of those that are not reenacted by Congress. Senator Muskie is supporting a bill (S.2) which would mandate broad Sunset with the first reviews due in September 1979. The only programs excluded would be interest on the public debt and major trust funds, such as Medicare and Social Security. Senators Percy, Byrd, and Ribicoff have a bill (S.600) which would cover only regulatory agencies.

Muskie's bill has 53 Senate co-sponsors and will be the focus of the hearing. It is more flexible than last year's bill. The key concepts are (1) that programs will be reviewed in functional groups (e.g., housing subsidies will be reviewed with tax provisions affecting housing), and (2) that each group will be subject to "Sunset" once every five years. Only the authorization to appropriate money expires at the end of the review period--not the substantive legislation.

Muskie's comprehensive approach has problems:

- 1) Sunset may complicate our Zero Base Budgeting (ZBB) by inducing Congress to reject our recommendations for budget changes until its Sunset reviews take place.
- 2) Sunset could lead to similar delays in Congress on our reorganization proposals.
- 3) Sunset could be used by Congressional minorities or committee chairmen to kill politically weak but desirable programs by holding up reenactment.
- 4) Sunset could reduce the Congress' ability to pass substantive legislation by tying it up with large numbers of program reviews.



- 5) Some powerful Congressmen oppose across-the-board Sunset. (e.g., Stennis wants Defense excluded and Long wants tax expenditures excluded.)

However, we feel you should support Muskie's approach for these reasons:

- 1) Sunset represents a major commitment to Congressional review of Federal programs and could help make the Government more efficient.
- 2) You supported the Sunset concept during and after the campaign.
- 3) Sunset is essentially a way for Congress to reorganize its budget oversight responsibilities, and it is hard for the Executive Branch to oppose that. We can hardly argue against the Congress giving the same scrutiny to these programs through its Sunset procedures as the Executive Branch will be doing through ZBB.
- 4) Senator Muskie, who is a senior member of the Government Operations Committee, expects your support, while the opponents of Sunset do not expect you to side with them.
- 5) Sunset has broad popular support across ideological lines.

#### OPTIONS

- 1) Support across-the-board Sunset and the general concept of the Muskie Bill.
- 2) Support broad Sunset review but request the exclusion of programs that are indisputably necessary (e.g., State's diplomatic functions, the Internal Revenue Service.) This would reduce the burden of Sunset but complicate the effort to review related programs across agency lines.
- 3) Support Sunset review of several specified functions as an experiment. (e.g., transportation, welfare, housing, environment.)
- 4) Support only Sunset review of the regulatory agencies. (i.e. endorse Percy-Byrd-Ribicoff or a variant.)

#### RECOMMENDATION

We suggest that you support Option #1 and encourage Cabinet Members to suggest adjustments to minimize the problems and improve the process, such as:

- a) revise the order by which functions will be reviewed to reflect Administration priorities (e.g., welfare should be considered next year to coincide with our legislative proposals in this area.)

b) propose criteria for the reviews

NOTE: Senator Muskie is open to changes of this sort as long as we support the general concept.

ACTION

Support recommended Option #1 ✓.

Support another Option \_\_\_\_\_.

ADDITIONAL ISSUES IF YOU SUPPORT THE MUSKIE CONCEPT

- 1) The Muskie Bill mandates a new Hoover Commission to study government reorganization. Lance wants to oppose this because it would delay your reorganization initiatives and because you have already designated OMB to do this job. Eizenstat agrees.

Agree ✓

Disapprove \_\_\_\_\_

- 2) The Bill contains a requirement that all agency budget submissions to OMB go to Congress immediately after you submit your budget. (At present, appropriations committees can get such information on request.) Lance wants to oppose this because it would focus attention on the budget disputes within the Administration and discourage frank communication between OMB and the agencies during the budget process. Eizenstat agrees.

Agree ✓

Disapprove \_\_\_\_\_

- 3) Secretary Blumenthal wants to testify that tax expenditures should be excluded from the automatic termination requirement of the Muskie Bill. (His memo is attached.) He strongly supports periodic review of such provisions, but he recommends that the Administration oppose automatic termination because:

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We disagree for these reasons:

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- d) The Finance Committee may get the tax provision stricken from the Bill, but there is no need for us to get involved in that fight.

We urge you not to oppose inclusion of tax expenditures in the Bill.

Agree ✓

Disapprove \_\_\_\_\_

THE WHITE HOUSE

WASHINGTON

Date: March 16, 1977

MEMORANDUM

FOR ACTION:

The Vice President - *concur*  
Hamilton Jordan  
Bob Lipshutz  
Frank Moore  
Jody Powell  
Jack Watson

FOR INFORMATION:

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Eizenstat/Lance memo re Sunset Laws.

YOUR RESPONSE MUST BE DELIVERED  
TO THE STAFF SECRETARY BY:

TIME: 4:00 P.M.

DAY: Thursday

DATE: March 17, 1977

ACTION REQUESTED:

☒ Your comments

Other:

STAFF RESPONSE:

☐ I concur.

☐ No comment.

Please note other comments below:

**PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.**

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)



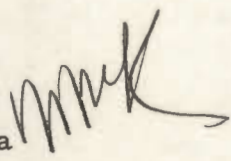
THE WHITE HOUSE

WASHINGTON

March 19, 1977

MEMORANDUM

TO: Rick Hutcheson  
FROM: Margaret McKenna  
SUBJECT: S. 2 "Sunset"



I am concerned that in endorsing the legislation, but with qualifications, will end up equalling an endorsement. I am not certain where agencies will come out on this matter since they have not been consulted. I am also concerned that we have dealt only with Senator Muskie. I think we should touch base with the Majority Leader and a couple of key Chairmen before getting in too deep.

Therefore, I suggest keeping some distance from S. 2 and clearly articulate our reservations and work with the Hill staff early to make needed changes.

THE WHITE HOUSE  
WASHINGTON

*due  
Thurs 4:00 PM*

ACTION	FYI
X	MONDALE
	COSTANZA
	EIZENSTAT
X	JORDAN
X	LIPSHUTZ
X	MOORE
X	POWELL
X	WATSON

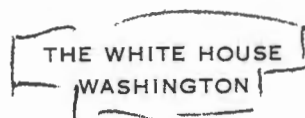
X	FOR STAFFING
	FOR INFORMATION
	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

	ENROLLED BILL
	AGENCY BILL
	Staffing comments should go to Bert Carp within 48 hours; due from Carp to Staff Secretary next day.

	CAB DECISION
	EXECUTIVE ORDER
	Staffing comments should go to Doug Huron within 48 hours; due from Huron to Staff Secretary next day.

ACTION	FYI
	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	GAMMILL
	HARDEN
	HOYT
	HUTCHESON
	JAGODA
	KING
	KRAFT
	LANCE
	LINDER
	MITCHELL
	POSTON
	PRESS
	B. RAINWATER
	SCHLESINGER
	SCHNEIDERS
	SCHULTZE
	SIEGEL
	SMITH
	WELLS
	VOORDE





HOLD

Sunset

Laos per

Margaret Meek  
UNTIL 3/18 11am

THE WHITE HOUSE  
WASHINGTON

MEMORANDUM FOR:

THE PRESIDENT

FROM:

STU EIZENSTAT AND BERT LANCE *Jim M.*

SUBJECT:

Sunset Laws

Four Departments (DOD, Treasury, Labor, and HEW) and OMB have been asked to testify at hearings chaired by Senator Muskie on Sunset laws March 22-23. Stu Eizenstat has met with Senator Chiles and his staff and Senator Muskie and his staff on this issue. This memorandum requests your guidance on the Administration's position.

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- b) propose criteria for the reviews

NOTE: Senator Muskie is open to changes of this sort as long as we support the general concept.

ACTION

Support recommended Option #1\_\_\_\_\_.

Support another Option\_\_\_\_\_.

ADDITIONAL ISSUES IF YOU SUPPORT THE MUSKIE CONCEPT

- 1) The Muskie Bill mandates a new Hoover Commission to study government reorganization. Lance wants to oppose this because it would delay your reorganization initiatives and because you have already designated OMB to do this job. Eizenstat agrees.

Agree\_\_\_\_\_

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Disapprove\_\_\_\_\_

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- d) The Finance Committee may get the tax provision stricken from the Bill, but there is no need for us to get involved in that fight.

We urge you not to oppose inclusion of tax expenditures in the Bill.

Agree \_\_\_\_\_

Disapprove \_\_\_\_\_





THE SECRETARY OF THE TREASURY  
WASHINGTON 20220

MAR 10 1977

*marked  
deleted  
from  
Lance/Eizenstat  
memo*

MEMORANDUM FOR THE HONORABLE STUART EIZENSTAT  
ASSISTANT TO THE PRESIDENT FOR  
DOMESTIC AFFAIRS AND POLICY

Subject: Tax Expenditures and Sunset Legislation

Both OMB and Treasury have been asked to testify at hearings this month on S.2, the Sunset Act of 1977. The bill would provide the legislative branch equivalent of zero based budgeting in the executive branch. It requires a series of staggered reviews on a five-year cycle of almost all budget outlays and new authorization for almost all government programs, so that each would terminate unless reauthorized every five years.

The bill as introduced requires reviews of tax expenditure provisions of the Internal Revenue Code, as well as IRS regulations and rulings. A tax expenditure provision is a special exclusion, exemption, deduction or preferential provision of the tax law, e.g., the gasoline tax deduction, the tax exemption for municipal bond interest, the preferential rate on capital gains. The bill requires the tax writing committees of Congress to prescribe termination dates to be enacted by Congress for tax expenditure provisions on a staggered 5-year cycle, similar to that prescribed for budget outlays. A tax expenditure provision would die at the end of 5 years unless reviewed and reenacted.

A. Basic Review Process and Termination Dates on  
Direct Outlays are Appropriate

I concur with the objective of the proposed review process in S.2, because it will complement the Administration's own efforts to control government spending through zero based budgeting. The use of termination dates for direct budget outlays as automatic triggers for effective review is appropriate, since most of those budget outlays traditionally require authorization and separate annual appropriation by Congress.



B. Tax Expenditures Should be Included in the Review Process

I also strongly endorse the review of tax expenditure provisions as part of the related review of direct budget outlays. One cannot make a rational judgment on the appropriateness of direct budget outlays in a given area without also considering indirect outlays through tax incentives and subsidies in the same area. For example, the dollars foregone in tax revenues to subsidize housing exceed the dollars of direct outlays in that area. A review would focus on whether the benefits distributed through the tax system are consistent with priorities for total expenditures in the housing area, and what combination of direct outlay and tax expenditure will be most effective in meeting goals of national housing policy. To force a review of tax expenditures within the context of total expenditure review is a giant step forward, not only for Congressional budget review but for the Executive branch also. The Departments of the Executive branch would be forced to focus on revenues lost through tax expenditures, which deprive them of funds which would be more usefully employed in their own direct outlay programs.

C. Automatic Termination is Inappropriate Now for Tax Expenditures

I recommend, however, that the Administration not favor at this time the use of automatic termination dates for tax expenditures for reasons which follow. It should be clear that the problems do not go to the merits of providing a review of tax expenditures - only the technique to be used.

1. Opposition of the Tax Writing Committees. The Senate Finance Committee, and particularly the Chairman, is opposed to automatic termination dates for tax expenditures. Last year the Committee voted against similar legislation. Its opposition is so strong, that it is fair to state that retention of automatic termination dates would likely cause failure of the entire legislation. Removal of automatic termination dates might be sufficient to establish the principle of inclusion of tax expenditures in the total review process, which is the most important objective. To establish the review of tax expenditures as part of the total budget process is so great a step forward that it ought not be jeopardized. It would be hard for the tax writing committees to argue against the concept of review, if their jurisdiction is not eroded by automatic termination.



2. Public reaction. The public and the lobbyists are generally accustomed to periodic review and reenactment in the area of direct budget outlays through the appropriation process. The public generally views its tax privileges as something different from benefits arising from budget outlays. Placing automatic termination dates on these privileges will surely raise emotions. This was the widespread reaction several years ago to the Mills-Mansfield bill which had automatic expiration of tax expenditures on a scheduled basis. It would be difficult to review tax expenditures rationally and expeditiously in the face of public emotion as a firm expiration deadline approached.

3. Uncertainty. I am also concerned about adverse effects that would be created by uncertainty. Decision-makers in business and personal affairs would be faced with statutory termination dates for tax provisions affecting them and the uncertainty that the Congress will or will not act in time. Any last minute postponement by the Congress of its decision on a tax provision would just add to the uncertainty.

4. Unique complications and difficulties are inherent in the tax expenditure area. Because tax expenditures can arise in such a great variety of ways, they do not lend themselves to automatic expirations in the same way as a conventional budget outlay. The conventional budget outlay proceeds first with authorizing legislation and then appropriation, in each case by positive enactment of Congress and Presidential approval. The specific beneficiaries of the outlay are usually directly identified.

a. Broader Scope than Outlays

In the case of a tax expenditure identification of beneficiaries is more difficult. For example, capital gains provisions are scattered throughout the Code applying in diverse functional classifications, e.g., timber, patents, real estate, stock investments, agriculture. Were capital gains treatment automatically to terminate without separate reviews of each application of the tax expenditure, it would result in unintended impacts upon areas not part of the current year's review.

b. Simple Repealers are Inadequate

Tax expenditures, unlike direct budget outlays, often do not arise by positive enactment. For example, the exclusion from income of social security benefits originated with an

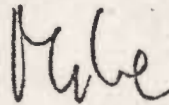


IRS ruling. To terminate it would require substantive legislation to identify the tax expenditure explicitly for the purpose of enacting a repealer. There are a myriad of similar exclusions which are administrative interpretations (e.g., fringe benefits). Some tax expenditures are simply deferrals of the time of payment of tax (e.g., income of foreign subsidiaries, taxation of accrued capital gains, deferred compensation, the build-up of cash surrender values of life insurance). A simple expiration date will not handle the elimination of deferral, since a mechanism for current taxation must be enacted. The legislative task to enact special termination dates is so formidable and would lead to such heated controversy as to what should be included as a tax expenditure, that, at the present time, it would surely kill the prospects of the entire bill.

c. Transition Rules are Complex

Furthermore, tax expenditures usually require more delicate attention to transition rules, which an automatic repealer cannot take into account. For example, the expiration of the exemption for municipal bonds and the home mortgage interest deduction perhaps ought not to apply to preexisting obligations. An automatic repealer rule would require a complexity and variety of transition rules which could be avoided if we simply provide for a review of tax expenditures without automatic termination.

In summary, I concur with the sunset legislation and endorse tax expenditure review as a complement of the review of budget outlays. It is not practical in the case of tax expenditures; however, to enact predetermined statutory termination dates.



W. Michael Blumenthal

cc: ✓ Rick Neustadt  
Policy Staff - White House